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## Bond Sale Rattles Markets

### U.S. Stock Drop Illustrates Role of Foreign Investors

By Lawrence Malkin  
International Herald Tribune

NEW YORK — The failure of a U.S. government bond auction set off an international financial chain reaction Wednesday, raising fears that the doomsday scenario of Japanese investors deserting American securities markets was taking place. Most analysts quickly agreed that it was not.

Long-term buyers, especially from Japan, stayed away from the auction by the government agency created to finance the bailout of America's savings and loan industry, the Resolution Funding Corp.

The shock waves sent Tokyo's Nikkei stock average down almost 500 points. Wall Street followed, with a sharp fall of 62 points in the Dow Jones Industrial Average at the opening. But there was a mid-day rally in blue-chip shares, and the Dow closed 10.82 points lower, at 2,604.50.

Other stock markets had dropped in anticipation of New York, and the dollar also sagged.

The complex set of events demonstrated that America's financial markets and its economy were vulnerable to the fears of foreign investors.

"We used to say that when America sneezes, the rest of the world gets a cold," said Nicholas Sargen, of Salomon Brothers. "Now when Japan and the rest of the world sneezes, the U.S. catches cold."

The new head of Japan's central bank, Yasuhiro Mieno, has raised interest rates since he took over in December so that Japanese government bonds now yield only about two percentage points less than American Treasury bonds, the narrowest spread in years. To attract Japanese funds, the United States may have to raise rates.

This fear, more than any other, has frightened international bond markets.

See DOW, Page 12



A man intervening on Wednesday as onlookers stopped to stare at a woman haranguing Soviet soldiers in Baku, the Azerbaijani capital.

## Soviet Attack on Ships Ends Baku Blockade, Troops Seize Activists

By Michael Dobbs  
Washington Post Service

MOSCOW — Soviet troops bombarded merchant ships on Wednesday night that had been blockading the Baku harbor for four days to protest the imposition of military rule in Azerbaijan.

The attack on the ships anchored off the Azerbaijani capital in the Caspian Sea was the most dramatic confrontation since Soviet troops in tanks and armored vehicles shot their way into Baku on Saturday.

The Soviet press agency Tass later reported that the blockade of naval ships in the Baku harbor had been lifted.

A correspondent for state television reported an "exchange of fire" in the harbor after nationalist activists aboard tankers shot at a passenger terminal. About 50 oil tankers and other vessels had been blockading the entrance to the Baku port to prevent naval ships from heading out to sea.

Rumors had circulated in Baku that the naval ships contained bod-

ies of people killed during the army takeover, but the military authorities have angrily denied this. Tass said Wednesday that independent public figures had been allowed on board the ships to demonstrate that the allegations were false.

The army earlier closed down the headquarters of the Azerbaijani Popular Front, which has been leading resistance to military rule, and arrested more than 50 nationalist activists. About 15,000 members of servicemen's families have now been evacuated from Baku in air force planes and a convoy of armored vehicles, Tass reported.

According to official figures, about 100 people have been killed since the imposition of a state of emergency in Baku last weekend to end anti-Armenian pogroms. Popular Front activists say the real figure is several times higher.

A Popular Front leader, Yusuf Samed-Dok, was quoted by Reuters as saying that he had seen several vessels sunk off Baku during the 40-minute bombardment by

tanks and artillery guns, grenade launchers and heavy machine guns. Tanker captains who supported a general strike against the army presence in the city had earlier threatened to blow up their ships unless Soviet troops were withdrawn immediately. It was unclear whether this threat was carried out.

The protests in Baku have confronted President Mikhail S. Gorbachev with the most serious crisis of his political career.

But the Foreign Ministry spokesman, Gennadi I. Gerasimov, rejected suggestions that Mr. Gorbachev risked being ousted by hard-liners opposed to his drive for change.

"There is no alternative to it," Mr. Gerasimov said. "There are no alternative policies." No senior Soviet leader has commented publicly on the crisis since Saturday evening, when Mr. Gorbachev appealed on television for unity and national reconciliation.

See SOVIET, Page 7

## West's Optimism Fades Amid East German and Soviet Crises

By Joseph Fitchett  
International Herald Tribune

PARIS — West European optimism about prospects for almost boundless change in the East has started to shrivel in the face of dismaying developments in the Soviet Union and East Germany.

This pessimism, several officials said Wednesday, stems from two converging developments: indications that Mikhail S. Gorbachev, the Soviet leader, may have to retreat from his policies of political liberalization and economic openness, and signs that East German leaders are losing control of the situation in their country.

With the East German situation deteriorating almost daily, Gregor Gysi, chairman of the East German Communist party, has been invited to visit Washington next week in what appears to be a Bush administration move to help boost East German hopes of getting quick

Western help, diplomatic sources said Wednesday.

Part of the West European pessimism has come from major European industrialists who are negotiating contracts in the Soviet Union and have been disappointed by their contacts there. They report

that perestroika, Mr. Gorbachev's restructuring plan, has been put on hold or even reversed in some ways by the Soviet bureaucracy, apparently because of the political crisis facing the Soviet leader over threats of secession by some republics.

As a result, European business leaders have drastically reduced their confidence, concluding that even if Mr. Gorbachev's authority triumphs intact, the power struggle has set back the Soviet economy even further and dimmed prospects for the market's profitability.

Among politicians, a U.S. official in Brussels said, "alarm is spreading because Europeans are turning pessimistic about Gorbachev's chances of success at the same time as they are recognizing signs of East Germany becoming a flash point."

"The Soviet crisis on top of the German question, that's a lot to handle at the same time," the official added.

Agreeing in general with this explanation of the West's shifting mood, British, French and West German officials said that they saw a potential clash between developments in East Germany and the Soviet Union, leading to forced German reunification and an East-West crisis.

The Soviet Union has nearly 400,000 troops in East Germany, equipped with armored forces and nuclear weapons. The pro-Soviet alignment of East Germany has always been seen in Moscow as a major asset.

He added that under the pressure of events, immediate German reunification suddenly would become almost irresistible, possibly causing an East-West confrontation and certainly unleashing divisive disputes among the Western allies.

"Europe would face an almost unimaginable crisis, with the geopolitical pendulum mixed up with the upheaval and panic on East German soil, which probably would include violence," one official said.

Concern has been voiced in the United States, too, that the crises in the Soviet Union and East Germany could feed on each other.

In testimony to Congress last week, George F. Kennan, the veteran U.S. diplomat, said: "It is the extreme instability of the present situation in East Germany and the ensuing discussion of the possibilities of German unification that present, to my mind, the greatest potential dangers."

But any Soviet steps in that direction, he said, were likely to panic East Germans into a stampede toward West Germany that no government could contain, even by force.

Even if Moscow maintains its military restraint, a British official said, there are growing indications that East Germany is heading for a complete collapse of authority.

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## Bush Hope: A 'Strong' Gorbachev

Washington Post Service

WASHINGTON — President George Bush said Wednesday that the separatist rebellion in the Soviet republic of Azerbaijan and the wave of ethnic unrest in the Baltics had created "internal problems of enormous dimensions" and that he hoped that the Soviet president, Mikhail S. Gorbachev, "not only survives but stays strong" in the face of those problems.

Asked at a White House news conference whether Mr. Gorbachev would survive the upheaval, Mr. Bush said, "We don't really know."

But although declining to make any predictions, he emphasized U.S. support for the Soviet leader, saying, "I think it is in our interest that perestroika succeed and go forward."

Mr. Bush repeated the administration's cautionary words about the level of force used by Mr. Gorbachev to put down the rebellion in Azerbaijan, stating, "Any time you have a use of force and the loss of life, we are concerned."

But he declined to describe the force as too harsh and repeated, instead, Mr. Gorbachev's description to him of his desire for peaceful change.

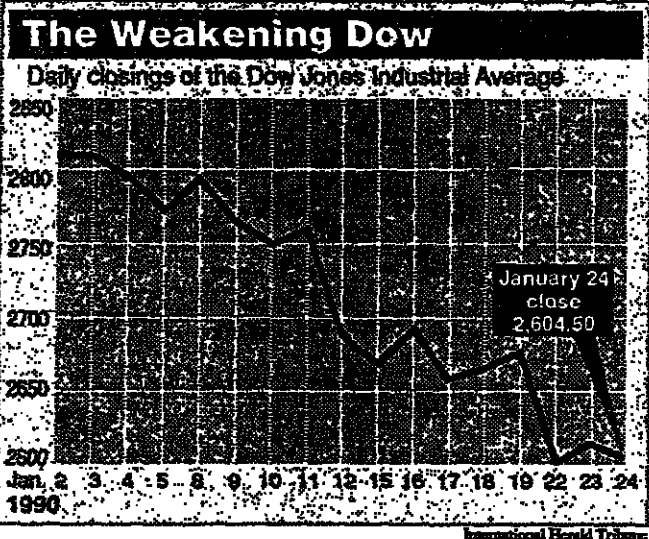
"He was my grandfather," or, "His nephews are present," those who were there interjected. Some wept.

The Social Democrats have already enrolled 10,000 members, said a spokesman, Petar Dertliev, 73, who spent 10 years in prison during the 1940s and 1950s for political dissidence. Still, the party's headquarters is the one-room apartment of its general secretary.

"It's like David and Goliath," Mr. Dertliev said. "The Communist Party has the apparatus, the power and the money."

The opposition's demands for political change have grown more and more vocal.

See SOFIA, Page 7



## Kiosk

### U.S. Switches On Refugees

GENEVA (NYT) — The United States has for the first time agreed to halt its opposition to forced repatriation of Vietnamese refugees from Hong Kong, delegates at an international meeting confirmed Wednesday. But it has blocked any consensus on the issue by insisting that no deportations take place for one year.

The United States made the proposal at a closed, two-day meeting of a United Nations committee that is attempting to seek a new strategy to resolve the problem of what to do about the 44,000 Vietnamese who have arrived in Hong Kong in small boats in the last year and a half.

The Romanian government faced protests over its election decision. Page 2.

The "worm" may have turned on U.S. computer hackers with the conviction of Robert Tappan Morris Jr. Page 3.

IBM and Siemens announced an agreement to develop a new generation of computer memory chips. Page 9.

## Crossword

Dow Close	The Dollar In New York
2,804.50	DM 1.891
Down	Pound 1.853
10.82	Yen 145.70
	FF 5.748

## Japanese Launch Moon Rocket, Hoping to Revive Their Space Program

By David E. Sanger  
New York Times Service

UCHINOURA, Japan — Japan launched a rocket to the moon on Wednesday night, becoming the third nation, after the United States and the Soviet Union, to attempt a flight to Earth's satellite.

Working on a shoestring budget of only \$41 million, a small group of Japanese scientists sent two satellites aloft on a thin, 93-foot (28-meter) tall rocket. It was the

world's first lunar mission since a Soviet spacecraft landed on the moon in August 1976.

The Japanese space mission is far more modest — it will orbit two engineering satellites around the moon — but scientists here said they hoped it would mark a turning point for a faltering space program.

"This is one step toward our interplanetary launches in the 1990s," said Hiroki Matsuo, a professor who headed the launching project for the Institute of Space

and Aeronautical Science, the smaller of Japan's two rival space agencies.

The Japanese-made Muses-A rocket took off from Kagoshima Space Center, a small complex tucked into a rugged, sparsely populated coastal region of Kyushu, the southernmost of Japan's main islands. The site is more akin to a rustic mountain campground than a high-tech space center, but in the past few years it has become the launching site of some of Japan's

most successful low-budget scientific missions, including a probe to Halley's Comet four years ago.

If all goes according to plan, the solid-fuel rocket will approach the moon on March 18, and use its gravitational field to catapult the larger of the two satellites into a highly elliptical orbit that will head it back toward Earth and then to the moon again. The other satellite, only 14 inches, or about 36 millimeters, in diameter, will circle the moon in an engineering test of sys-

tems that, it is hoped, will lead to sending other scientific instruments, including a lunar seismometer, to the moon's surface in the 1990s.

Slow to start in the space race, and hesitant to commit to an expensive program of manned exploration, Japan has focused on launching small rockets bearing scientific instruments and other satellites.

Still, the space program is widely criticized in Japan as lacking in

direction, something of an anomaly in a country that in recent years has built its economic pre-eminence on its ability to focus private industry and publicly funded industrial projects on leading edge technologies.

In recent months, Japanese officials have vowed to reshape the program for the 1990s, and Wednesday's mission, the first to go beyond Earth orbit, is an important symbolic step.

With a budget that is growing by about 9 percent a year, scientists

are already talking seriously about unmanned scientific missions to Mars and Venus, and there have been preliminary studies of a low-cost, unmanned space shuttle.

The launching on Wednesday came after a one-day delay that stopped the countdown Tuesday night at 18 seconds before lift-off. Engineers traced the problem to an electrical circuit controlling the

nozzles on one of the rocket's boosters.

## Born-Again Couturier

Saint Laurent Show Is Strongest in 10 Years

By Suzy Menkes  
International Herald Tribune

PARIS — A 13-minute ovation of cheers and tears greeted a born-again Yves Saint Laurent. He was 30 pounds lighter, totally in command, and his show Wednesday had sealed a Himalayan peak of haute couture.

Not for 10 years has Saint Laurent sent out such a collection, breathtaking in its variety, pure in its conception, whimsical in its fantasy, lyrical in its coloring.

"I can't believe it — it's my darling Yves again," said Nan Kempner, one of the Saint Laurent clients who were ecstatic in their praise. Gossip had suggested that the designer was sick, tired of fashion and had lost his punch. The bare-breasted dresses shown in his ready-to-wear show in October had also been criticized as an unworthy publicity stunt.

But this couture show was a comprehensive triumph, while the challenge to him from new-wave designers had flopped. Claude Montana's first collection for Lanvin on Tuesday night was a disaster.

"I feel wonderful, look at me," Saint Laurent said backstage, pulling the folds of his suit to show how much weight he had lost.

During the show, his own voice an-

nounced over the sound system "homages" to those artists and friends he loves: a snow-white lace sheath snuggled under a fox stole for Marilyn Monroe; a neat black suit bandaged in white for Coco Chanel; fiery red lace hugging the bodice above hot-pink tulle for Maria Callas; orange Impressionist flowers on draped chiffon for Saint Laurent's beloved Froust.

Zizi Jeanmaire, who sat front row singing along with her songs on the soundtrack, laughed at the thigh-skimming shift with licorice-black paillettes dedicated to her.



# And Now Yugoslavia: Split Leaves Party's Future in Doubt

By Marlene Simons

New York Times Service

**BELGRADE** — When the Slovenes stalked out of the grand hall, turning their backs on the red flag, the bust of Tito and 1,000 fellow delegates, they did more than paralyze the National League of Communists, Yugoslavia's only national party.

Their walkout earlier this week and the ensuing suspension of the party conference appeared to be just the nightmare that party leaders dreaded: the Communists by all appearances forfeiting their last chance to chart basic change and be the principal force for unity in Yugoslavia.

In the press and in party offices there was one agonizing question: Would the shattered party ever reconvene? The daily Borba, until recently a party mouthpiece, said flatly on its front page that the Communist Party of Yugoslavia "no longer existed."

As the dust settled, it seemed that party bosses from two of the country's six constituent republics, Serbia and Montenegro, were hoping to resurrect the old party.

Leaders from the other four federated and ethnically based divisions are pressing

for an overhaul of the party that would make it more like the Social Democratic parties of Western Europe.

While the two sides contested their visions of party destiny, an already fraying unity seemed to disintegrate. The delegates went home to their republics, where local

## NEWS ANALYSIS

Communist parties began emergency meetings to see whether they should pull out of the national organization or pull back together.

If some decide to leave the National League of Communists, it would mean the collapse of the party that has ruled since the end of World War II.

It is a party that Monday voted to give up its constitutionally guaranteed monopoly on power and allow other groups to compete.

The most forceful assault on party unity was led by the Slovenes. Ciriil Ribicic, the Slovenian party leader, declared that the national party had failed to reform itself and remained internally undemocratic.

It was "obvious," he added, that the

Slovenian party "could never again be part of the Communist Party of Yugoslavia in the manner that it existed until now."

Slovenia, the second-wealthiest and most prosperous of the republics, has for years resented giving up foreign-exchange earnings to help the poorer southern republics.

In preparation for Slovenia's first openly contested local elections, planned for April, the republic's party has already dropped the hammer and sickle, changed the red star to a yellow one and debated changing its name.

In its effort to transform the withered party along a more democratic-socialist line, the Slovenes gained support from Croatia and from significant groups in Bosnia and Macedonia.

Arrayed against that bloc are the traditionalists, centered around the Serbian organization. In making a last stand after the Serbian walkout, Slobodan Milosevic, the Serbian party leader, demanded that the party congress continue its work.

His appeal was rejected when the congress decided that it could not vote on the

declaration of change and suspended the meeting.

In the aftermath of the disrupted congress, it remained unclear what impact the divisions would have on the government.

"It certainly will make things more difficult," a Western ambassador said, "since everything in Yugoslavia depends on consensus, and now that consensus will be harder to achieve."

Some Yugoslavs said they believed that the setback to the party would strengthen the bureaucracy of the federal government, above all the office of the prime minister, occupied by Ante Markovic.

"The party is still intertwined with the state," said Svetozar Stojanovic, a professor of political science. "But the process of disassociating the two has begun. If parties have a real chance to take part in free elections, then everything else is rhetoric."

Such elections for the federal parliament are due in April.

As the entrenched party apparatus squabbles, the focus has shifted toward the changes being put in place by Mr. Markovic. A former factory manager who took office last year, he used a loophole giving

emergency powers to the prime minister to promote economic changes that have far outpaced political restructuring.

His most spectacular measure came on Jan. 1, when he tied the nation's currency to the West German mark and made it fully convertible.

"It pushed Yugoslavia even ahead of Poland," said a Western financial expert. "No one in Eastern Europe has taken this step."

Other laws that Mr. Markovic's team pushed through parliament in late December have opened the country to almost unlimited foreign investment.

More surprising, diplomats say, is the way Mr. Markovic has succeeded in expanding the powers of the federal government and of his own office, which were uncommonly feeble in a country whose six republics are virtually autonomous.

The difference between Belgrade and other Eastern European capitals, a foreign economist said, is that "there it is the economic reforms that are driving the political train" and bringing change despite the constrictions of the Communist Party machine.

## WORLD BRIEFS

### Polish Communists Disclose Wealth

**WARSAW (Reuters)** — The Polish Communist Party, facing a storm of demands to surrender its wealth, admitted Wednesday that it had amassed a real estate empire worth tens of millions of dollars during its 45 years in power.

Unveiling details, the Communist daily Trybuna Ludu said party holdings included buildings, vacation centers, vehicles, publishing houses, printing presses and machinery worth more than \$73 million.

The admission, three days before the Communists plan to disband and form a non-Marxist party, followed a wave of sit-ins by radicals demanding the return of buildings to the state and a proposal in parliament to nationalize all Communist Party assets.

### Afghan Vows to Abide by Elections

**KABUL (WP)** — President Najib said Wednesday that his Soviet-backed government would relinquish power peacefully if it was defeated in elections supervised by the United Nations, reflecting a fresh push by the Kabul government and the Soviet Union to achieve a political settlement.

But the Afghan leader repeated his refusal to step down before any settlement talks began with Muslim guerrillas backed by the United States, who have waged a 12-year armed rebellion against Major General Najib's leftist political party and its Soviet supporters.

"The government of the republic of Afghanistan will accept any kind of outcome of free elections and will not resort to force to change the outcome," General Najib said. He added that such a guarantee "cannot be unilateral" and would have to be matched by Muslim guerrilla leaders.

### U.S. Official Is Killed in Panama

**PANAMA CITY (UPI)** — Two men talked their way into the home of a U.S. official of the Panama Canal Commission and fatally shot him, apparently during a robbery, a commission spokesman said Wednesday.

The chief financial officer of the commission, William J. Joyce, 36, was shot Tuesday after the two men persuaded his wife to open the door of their home, the spokesman said. A commission statement said one of the men, who was masked, opened fire immediately on Mr. Joyce. The men took jewelry from Mrs. Joyce and four rifles from the couple's gun collection before fleeing.

The spokesman said the case was under investigation. Asked if it might have been more than a robbery in light of the U.S. invasion of Panama in December, the spokesman said, "We don't know." Mr. Joyce was the second canal official assaulted at his home in the last three days.

### Ex-AFP Chief Ends Re-election Effort

**PARIS (AFP)** — Jean-Louis Guillaud, until Sunday chairman of the French news agency Agence France-Presse, withdrew his candidacy for re-election to the post on Wednesday. Deputy Chairman Jean-Louis Privat took over as interim chairman after Mr. Guillaud's tenure expired.

An agency supervisory panel is to name two candidates for the post by Thursday.

On Feb. 18, the five government appointees on the agency's 15-member board blocked Mr. Guillaud, 60, in his re-election bid. He needed at least 12 votes to retain his post. A simple majority will be sufficient to designate a chairman in the next round of voting.

### Secord Is Given 2 Years' Probation

**WASHINGTON (WP)** — Richard V. Secord, a central figure in the Iran-contra affair who lied in November to congressional investigators, was sentenced Wednesday to two years' probation after a judge said the retired air force major general had already suffered "punishment" for his role in the affair.

The chief operative for Oliver L. North, a former National Security Council aide, in supplying munitions to the U.S.-backed Nicaraguan rebels and arms to Iran, Mr. Secord said he was "very happy" with the sentence handed down by Judge Aubrey E. Robinson Jr. He had faced a maximum sentence of five years in prison and a \$250,000 fine.

The associate independent counsel, Reid Weingarten, was visibly disappointed and declined to comment on the sentence. He had stopped short of asking that Mr. Secord, a former deputy assistant secretary of defense, be imprisoned, but he had argued that he be treated more severely than Mr. North and Robert C. McFarlane, a former national security adviser, who were fined and sentenced to probation.

### Diet Dissolved and Vote Set in Japan

**TOKYO (NYT)** — Prime Minister Toshiki Kaifu dissolved the lower house of the Diet, or parliament, on Wednesday, clearing the way for national elections on Feb. 18 in which the governing Liberal Democratic Party is expected to lose a large number of seats.

Aides to Mr. Kaifu predicted Wednesday that the party, which has governed Japan since 1955, would win a slim majority of the 512 seats. But many independent analysts said the party could well fall short of the 257 seats needed to form a government.

If that happens, the Liberal Democratic Party would most likely find itself competing with the Socialist Party to form a coalition with smaller parties and independent members.

### For the Record

President George Bush endorsed elevating the Environmental Protection Agency to a cabinet-level Department of the Environment, saying Wednesday that environmental challenges "are so important that they must be addressed at the highest level of government." (AP)

## TRAVEL UPDATE

### Airlines Urge Heathrow Revamping

**LONDON (AFP)** — British airlines have started a campaign to have capacity increased at the already crowded Heathrow International Airport, which is facing competition from airports like Charles de Gaulle, near Paris, that may end its status as Europe's busiest airport.

Michael Bishop, chief executive of British Midland Airways, said Wednesday that Heathrow could soon lose its position as Europe's hub of international traffic, and that if current trends continued it would be saturated next year. Heathrow now handles 37 million passengers a year, as against 22 million for Roissy.

Mr. Bishop said the authorities should provide faster turnaround of planes, a decreased distance between them, and allowing a technique called "mixed mode operation" under which aircraft alternately land and take off using the same runway.

Fewer tourists visited Spain last year, reversing years of growth in the country's main sector for foreign exchange earnings. Spain had 54 million visitors last year, or 0.5 fewer than the year before, according to the transport and tourism minister, José Barjaño. He said 1990 would be a year of consolidation for Spain's tourist industry. (Reuters)

## WEATHER

EUROPE				ASIA			
	HIGH	LOW	PRECIP.		HIGH	LOW	PRECIP.
Amsterdam	11	5	0	Bangkok	30	24	0
Athens	10	5	0	Beijing	10	-2	0
Berlin	10	5	0	Bombay	30	24	0
Brussels	10	5	0	Calcutta	30	24	0
Copenhagen	10	5	0	Hankow	10	-2	0
Dusseldorf	10	5	0	Harbin	10	-2	0
Hamburg	10	5	0	Hong Kong	30	24	0
London	10	5	0	Kobe	10	-2	0
Madrid	10	5	0	Manila	30	24	0
Munich	10	5	0	Osaka	10	-2	0
Paris	10	5	0	Shanghai	10	-2	0
Rome	10	5	0	Tokyo	10	-2	0
Zurich	10	5	0				
AFRICA				LATIN AMERICA			
	HIGH	LOW	PRECIP.		HIGH	LOW	PRECIP.
Cairo	20	14	0	Buenos Aires	10	5	0
Cape Town	20	14	0	Caracas	10	5	0
Harare	20	14	0	Guatemala	10	5	0
Joannesburg	20	14	0	La Paz	10	5	0
Lima	10	5	0	Managua	10	5	0
London	10	5	0	Medan	30	24	0
Los Angeles	10	5	0	Montevideo	10	5	0
Madrid	10	5	0	Nairobi	20	14	0
Munich	10	5	0	Rio de Janeiro	10	5	0
Paris	10	5	0	Sao Paulo	10	5	0
Rome	10	5	0	Santiago	10	5	0
Stockholm	10	5	0	Tel Aviv	10	5	0
Vienna	10	5	0	Yokohama	10	-2	0
Zurich	10	5	0				
MIDDLE EAST				OCEANIA			
	HIGH	LOW	PRECIP.		HIGH	LOW	PRECIP.
Amman	10	5	0	Auckland	10	5	0
Baghdad	10	5	0	Brisbane	10	5	0
Bombay	30	24	0	Canberra	10	5	0
Calcutta	30	24	0	Honolulu	10	5	0
Hankow	10	-2	0	Los Angeles	10	5	0
Harbin	10	-2	0	Managua	10	5	0
Hong Kong	30	24	0	Medan	30	24	0
Kobe	10	-2	0	Montevideo	10	5	0
Manila	30	24	0	Nairobi	20	14	0
Osaka	10	-2	0	Rio de Janeiro	10	5	0
Shanghai	10	-2	0	Sao Paulo	10	5	0
Tokyo	10	-2	0	Santiago	10	5	0
				Tel Aviv	10	5	0
				Yokohama	10	-2	0

THURSDAY'S FORECAST — CHANNING: VERY CLOUDY. FRANKFURT: Snowy. Temp. 11-15 (5-21). AMSTERDAM: Partly cloudy. Temp. 11-15 (5-21). BERLIN: Partly cloudy. Temp. 11-15 (5-21). BRUSSELS: Partly cloudy. Temp. 11-15 (5-21). COPENHAGEN: Partly cloudy. Temp. 11-15 (5-21). DUSSELDORF: Partly cloudy. Temp. 11-15 (5-21). HAMBURG: Partly cloudy. Temp. 11-15 (5-21). LONDON: Partly cloudy. Temp. 11-15 (5-21). MADRID: Partly cloudy. Temp. 11-15 (5-21). MUNICH: Partly cloudy. Temp. 11-15 (5-21). PARIS: Partly cloudy. Temp. 11-15 (5-21). ROME: Partly cloudy. Temp. 11-15 (5-21). STOCKHOLM: Partly cloudy. Temp. 11-15 (5-21). VIENNA: Partly cloudy. Temp. 11-15 (5-21). ZURICH: Partly cloudy. Temp. 11-15 (5-21).

## Romania Front Faces Protests

### Political Parties Denounce Government's Election Plan

By David Binder

New York Times Service

**BUCHAREST** — Leaders of three Romanian political parties on Wednesday denounced the provisional government's plan to field its own candidates in national elections in May, and at two rallies in the capital demonstrators shouted slogans against its president, Ion Iliescu.

The rallies were the first against the National Salvation Front, which has governed for the last four weeks.

The Front's executive body voted 128 to 8 on Tuesday to put up candidates in the spring elections and Mr. Iliescu defended the decision on television, saying that groups of Romanian workers had urged the Front to take a role in the country's future political life.

"Down with Iliescu!" about 1,000 demonstrators young and old chanted at a rally that seemed to develop spontaneously at University Square in central Bucharest. "Down with the Communists!"

About half the demonstrators

then marched to Romania Square shouting their slogans. They carried a banner saying, "Elections Without the Front!" and another saying, "Watch Out for the Chameleons!"

Mr. Iliescu was an up-and-coming member of the leadership under Nicolae Ceausescu in the 1960s, but in 1971 he was demoted by the party chief as a suspected potential rival.

Afterward he was considered something of a dissident here although he never spoke publicly against the Ceausescu dictatorship until it was overthrown on Dec. 22. On that day he was chosen president of the National Salvation Front, a makeshift group of intellectuals, students, Communist dissidents and some workers.

Three hours after the first rally, about 2,000 university students started another demonstration at University Square and marched to the Foreign Ministry, where the Front has its headquarters. They shouted anti-Iliescu slogans, and a couple of them carried an enlarged photograph, presumably from the 1960s, showing Mr. Iliescu bowing with President Ceausescu.

A third demonstration against

the National Salvation Front has been scheduled by several political parties for Sunday in Bucharest.

The three largest of Romania's fledgling political parties, the National Peasants Party, the National Liberal Party and the Social Democratic Party of Romania, declared Wednesday that they were united in opposing the participation of the Front in elections, but they appeared to be divided on tactics.

In its meeting Tuesday, the executive body decided to hold a round-table meeting with representatives of all 15 new political parties on Saturday in an effort to reach agreement on equal access to funding and to radio and television.

Ion Poin, vice president of the National Peasant Party, which claims 150,000 members, said he opposed the roundtable, which he said had been made moot by the Front's decision to enter politics.

But a spokesman for the National Liberals said his party would attend the session even though its president, Radu Campeanu, denounced the Front's election plans as "a violation of the principles of democracy." It also appeared that the Social Democrats would send a representative to the meeting.



A Romanian Army major trying to answer the questions of protesters on Wednesday in Bucharest.

## China Seeks 'Red,' Not 'Expert,' Cadres

By Nicholas D. Kristof

**BEIJING** — A revolutionary outlook, rather than education or competence, is the most important criterion in choosing and promoting Communist Party officials, the party declared Wednesday in what some experts regarded as a reversal of its previous position.

People's Daily, the official newspaper of the party's Central Committee, said in a front-page commentary that the ranks of cadres should be made more revolutionary, and that officials should be closely examined to ensure that they are not merely mimicking revolutionary rhetoric but actually practicing it.

"In choosing people, in assigning people, in educating people, we must take a revolutionary outlook as the prerequisite, to ensure that party and government leaders at every level are loyal to Marxism," the newspaper quoted the party chairman, Jiang Zemin, as saying.

The commentary was a significant reinterpretation of the previous commitment to *si hua*, roughly translatable as "the four changes." The four changes, which were widely heralded in the early 1980s and written into the 1982 party constitution, aimed to make party officials more revolutionary, more youthful, more educated and more competent.

At the time that the four changes were promoted, however, they were used by China's senior leader, Deng Xiaoping, as a way of easing the revolutionary old guard out of power by replacing elderly leaders with those who were younger and better trained.

"Originally, 'more revolutionary' was just there for appearances," said a Western diplomat with long experience in China. "The important ones were 'more youthful' and 'more competent.' The stress now on 'more revolutionary' is exactly the opposite of what Deng Xiaoping originally favored."

It is not clear, however, how seriously the editorial should be taken as a sign of the

mood or direction of the leadership. The publisher and editor of People's Daily were changed in June, and the newspaper is now regarded as in the hands of hard-liners. There have been mixed signals from the leadership in recent months, possibly reflecting a power struggle, and another Western diplomat cautioned against putting too much emphasis on any one editorial or speech.

In general, the level of rhetoric in the official press has been more restrained in the last month, and less strident in its criticisms of the United States or Western influences. Even the article Wednesday did not use particularly harsh language, despite its hard-line position.

In arguing that a revolutionary outlook was a prerequisite in promoting party officials, People's Daily was leaning toward the Maoist view that it is better for cadres to be "red" than "expert." In contrast, for most of the last decade, with occasional exceptions in recent months, the accent has been on expertise rather than ideology.

## Miami Policeman Gets 7 Years

Compiled by Our Staff From Dispatches

**MIAMI** — A Hispanic police officer convicted of manslaughter in the deaths of two black men was sentenced Wednesday to seven years in state prison. The deaths had touched off three nights of racial violence.

The officer, William E. Lozano, 31, was allowed remain free on \$10,000 bond by Dade County Circuit Judge Joseph Farina, pending an appeal. Mr. Lozano was convicted Dec. 7 of two counts of man-

slaughter. The seven year sentence covered both counts.

Mr. Lloyd, 23, and Mr. Blanchard, 24, were riding a motorcycle through the predominantly black neighborhood of Overtown about 6 P.M. on Jan. 16, 1989, after a parade celebrating the birthday of Martin Luther King Jr., when Mr. Lozano shot Mr. Lloyd.

The bullet hit him above the left eye, piercing his helmet and killing him instantly. Mr. Blanchard, a passenger on the motorcycle, died

the next day of injuries caused by the ensuing crash.

Mr. Lozano claimed he shot Mr. Lloyd in self-defense because he was about to be run down by the motorcycle. Prosecutors said Mr. Lozano's life was never threatened.

The deaths led to racial unrest in Miami for the fourth time in the 1980s, all linked to the killings of blacks by white police officers. In two of those cases, acquittals had sparked more violence.

(AP, UPI)

## Flag Burners in Tennessee, Beware

Compiled by Our Staff From Dispatches

**NASHVILLE, Tennessee** — The penalty for beating a person who burns the U.S. flag would be reduced to a \$1 fine under a bill approved by a committee of the state House of Representatives.

"For many widows or parents of loved ones who were killed in wars, all they have left is the flag," Shelby Rhinehart, a Democrat, told the Judiciary Committee. "If they want to beat the heck out of someone who burns the flag, so be it."

Assault normally carries a sentence of 11 months and 29 days and a maximum fine of \$2,500.

Representative Rhinehart, who sponsored the bill, said Tuesday that it had been prompted by the U.S. Supreme Court's ruling last year that burning the flag was a form of protest protected by the First Amendment, which guarantees freedom of speech.

The committee made one change in the bill, dropping language that would have made the maximum fine only \$1 even for assaulting a flag burner with a deadly weapon.

The committee passed the legislation unanimously, but one member questioned the bill beforehand.

"Aren't we going to permit a constitutional act to now be assaultable?" Representative Tommy Burnett asked.

"It's an invitation to violence," Barry Friedman, the head of the state American Civil Liberties Union chapter, said. "It's like saying you can assault anyone who disagrees with the governor as long as you pay a dollar fine."

The measure is a long way from becoming law. It must pass through two committees, the House and the Senate.

"This agreement marks the first time that the U.S. and the Soviet Union will inspect a number of each other's nuclear warheads on ballistic missiles," said David Denney, a State Department spokesman. He did not say how, when or where the inspections would take place.

Secretary of State James A. Baker 3d is to meet the Soviet foreign minister, Eduard A. Shevardnadze, in Moscow on Feb. 6-7.

The Bush administration said the agreement signed in Geneva was "not only an important step toward an effectively verifiable START treaty, but also a step toward greater transparency."

## Allen Collins, Founder of Rock Group, Dies at 37

The Associated Press

**JACKSONVILLE, Florida**







# Herald Tribune

Published With The New York Times and The Washington Post

## A Cloud Over Congress

First, honor. As members of the House and Senate resume work, they face several pressing priorities — child care, clean air, drugs and crime, the peace dividend. Fundamental is the need for Congress, scandal scarred, to restore its own integrity.

Seven members of the Senate now face ethics charges, and the House has not yet recovered from last year's scandals involving former Speaker Jim Wright and others. And in both houses, pending legislation might finally end the corrosive flow of special-interest money into members' campaigns.

Enactment of this legislation without emasculating loopholes would dispense the cloud of suspicion and disgust. Evidence of the need reverberates daily in the continuing scandal of the Keating Five — the senators who helped a savings and loan institution fend off regulators after accepting more than \$600,000 in campaign gifts from the bank's owner, Charles Keating.

The Senate could demonstrate its bona fides by quickly matching the House ban on honoraria, speech fees from special-interest groups that provide informal pay raises. But the most essential reform, of campaign financing, requires determined bipartisan leadership in four areas.

**Political action committees.** Special-interest PACs weigh heavily in Washington; almost half of the House members received 50 percent or more of their campaign funding from PACs in 1988. By contributing so heavily, PACs put a heavy thumb on the legislative scale. Who pays, in the end? The

public. There are good ideas pending for breaking the PAC grip, if the members can be brought to mount a PAC-attack.

**Spending limits.** In part because of all the special-interest money, campaign spending has soared out of control. In 1988, winning senators typically spent nearly \$4 million, about twice the 1982 figure. The grind of having to raise so much means and distracts lawmakers.

**Alternative financing.** In the past, Republicans have rejected the idea of public financing for congressional campaigns. But it now stands a chance, in part because of latter-day reformers like Senator Alfonse D'Amato of New York. Mr. D'Amato, who helped defeat campaign reform in the last Congress, now faces an ethics probe of his role in winning housing grants for contributors and others.

**Sewer money.** The nation's system of public financing for presidential elections offers a model for congressional races. But first, lawmakers need to close the open sewer through which favor-seeking contributors channel funds to state party accounts, thereby evading federal limits. If Congress is serious about curbing the influence of big money in its own campaigns, the place to start is in the sewer.

There may be a silver lining in the current Senate scandals, giving Congress the biggest push since Watergate to get serious about reform. But at the moment what is more visible is the cloud.

—THE NEW YORK TIMES

## Poison Under the Farm

The sharpest fight in the farm bill in Congress may not be about the traditional subjects of support programs or food stamps, but about the environment. In the name of the groundwater on which much of rural America depends, an effort is likely to be made to reduce the use of chemicals.

In years past, such an effort would have been dismissed as meddling and would quickly have failed in the agriculture committees. Now the outcome is not so sure. Evidence of the contamination of groundwater by pesticides and fertilizers is increasing; the sense of unease that this has produced among farmers is to be found on the committees as well. The Senate committee has a strong environmentalist, Patrick Leahy, a Vermont Democrat, as chairman. Its first hearing this year will be on groundwater, and alongside Agriculture Secretary Clayton Yeutter at the witness table will be the administrator of the Environmental Protection Agency, William Reilly.

A number of ideas are in circulation. Many are patterned after the strong conservation provisions in the 1985 farm bill. Among other things, these require farmers to develop soil conservation plans as a condition of receipt of support payments. The notion this time might be gradually to re-

quire them to have chemical management plans as well. These would likely involve record keeping, as well as some self-imposed downward pressures on use.

Proposals will also be made to offer inducements to farmers to moderate chemical applications. For example, a farmer who reduced use of chemicals in an especially vulnerable part of his farm might have his acreage set-aside eased in return.

This all represents an imaginative approach to a serious problem, and would be a useful complement to the traditional method of trying (not hard enough and so far with minimal success) to regulate pesticides mainly by the amounts that may remain on products when sold. There will doubtless be strong resistance as well as some new support on the farm committees, not least from the chemical industry. But this is not an effort to outlaw chemicals, just a relatively gentle attempt to see what can be done to mitigate their use.

Farm state members should be the most supportive of all legislators. When groundwater under a farm is contaminated, the first people poisoned aren't the ones who buy what is produced there. The first are the ones who live on the farm.

—THE WASHINGTON POST

## Back to the Past in Haiti

Haiti's nightmare continues. There is no justification for Lieutenant General Prosper Avril's crackdown on Haiti's moderate opposition. The promise of democracy raised by the overthrow of Jean-Claude Duvalier in February 1986 keeps receding ever further. Washington's sharp, prompt signal of disapproval is the right response.

There is a bitter lesson here for Panama. Shipping a dictator out of the country is only the first step. The roots of dictatorship have to be dug up.

Late on Saturday, General Avril decreed a one-month state of siege, in order, he said, "to protect democratic accomplishments." There are shamefully few such accomplishments to show for four years of post-Duvalier rule, and the latest round of official intimidation does nothing to protect them.

Political activists report dozens of arrests and beatings. Those deported include Dr. Louis Roy, main author of Haiti's 1987 democratic constitution, and Hubert de Ronceray, a moderate and a likely presidential candidate. Silvio Claude, another likely centrist candidate, has prudently gone into hiding. On Monday, three radio stations were attacked.

General Avril previously served both Du-

valier, Papa Doc and Baby Doc. He also collaborated with General Henri Namphy, the military leader who last August shook up one set of elections in 1987 and who rigged another in 1988. Still, when he ousted the Namphy regime 16 months ago, many hoped his pledges of democracy were sincere.

So long General Avril he seemed bent on a fair election, he deserved the benefit of the doubt. But episodes of repression and intimidation have multiplied. Duvalierists inside and outside the government seem determined to block any possibility of a reform administration.

The Bush administration was once inclined to give General Avril that benefit of the doubt. Now, mincing no words, Washington promptly warns that the general has "put at risk the democratic process in Haiti" and undermined "the confidence of the international community in Haiti's commitment to that process." It asks that the latest measures be quickly rescinded.

Such bluntness could have a useful effect. If General Avril means to become yet another dictator, he must know he will get no help from the United States. Meanwhile, the Haitian people suffer on.

—THE NEW YORK TIMES

## Other Comment

### Kissinger vs. Kennan

Two of America's Cold War gurus differ fundamentally on the issue of German reunification. George F. Kennan warns that any political moves by West and East Germany to unite in advance of international agreements would "invite complications of the most serious nature." He described the situation in East Germany as "very delicate, dicey and dangerous," and proposed that the four occupying powers might have to take temporary responsibility for maintaining order. He urges a three-year moratorium on any alteration in the Western and Eastern alliances in Europe while the present upheaval clarifies itself.

Quite the opposite position is taken by Henry A. Kissinger. Mr. Kissinger sees little that can stop the political pressures for reunification — the erosion of internal borders, the exodus of East Germans, the imperatives for equal living conditions and a common currency. If Western nations op-

pose these developments, he warns, they "may create a German problem in the name of avoiding it." He said he would have been content to have the German question lie in limbo, but since it has arisen, "we no longer have the option of deferring it."

So far, Britain and the Soviet Union have been forthright in opposing German unity, while France and the United States have been two-faced. What these wartime victors should not forget is that the German people are listening to every nuance as they take control of their own destiny. The fact is that the German question will ultimately be settled by the Germans. For that reason, we believe the Kissinger approach is better.

European leaders may have to cater to latent anti-German attitudes among their compatriots, but President George Bush does not have that domestic problem. He should take this opportunity to prove to the German people that U.S. support for reunification is not only declaratory but real.

—THE BALTIMORE SUN

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Directeur de la publication: Richard D. Simmons

Editor for Asia: Michael Richardson, 5 Convent Road, Singapore 0511. Tel: 472-7768. Telex: RS3928

Managing Dir. Asia: Rolf D. Jürgens, 30 Gloucester Rd., Hong Kong, Tel: 5-8610616. Telex: 61170

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## Russia's Future: Alternatives for a Modern Identity

By James H. Billington

This is the first of two articles.

WASHINGTON — Mikhail Gorbachev's determination to seek both legitimation and models for reform primarily in the West has produced a bitter nationalist reaction among many ordinary Russians — as in the past under innovative czars like Peter the Great and Alexander II.

Those were the two names Mr. Gorbachev mentioned to me in June 1988 when I asked him what prerevolutionary figures interested him as possible models for his own program.

Like both of those aggressively innovative czars, Mr. Gorbachev faces a popular opposition among Russian traditionalists. He no doubt hopes that

his conservative opponents will eventually simply fade away into the forest as the Old Believers did under Peter the Great. But he must have more realistic fears based on the more modern and more relevant example of Alexander II, the Anglophile reformer, who freed the serfs and opened up Russia, only to be assassinated by younger radicals who did not believe he had gone far enough.

Alexander II was the victim of rising expectations that he could not

satisfy in the first age of mass journalism. Many fear that Mr. Gorbachev may suffer some such fate in this first age of mass television.

But the more relevant lesson to be learned from Alexander's reign may be that evolutionary, progressive reform from above may not be possible when the society below is throwing up new extremes of right and left that feed on each other and destroy the moderate, progressive center.

The Gorbachev leadership is being swayed by the simultaneous opposition of swelling popular movements from both right and left. Fear that the extremes may once again squeeze out the center accounts for the increasingly frequent suggestion in the U.S.S.R. that violence is inevitable and some form of civil war probable.

Both of these extreme alternatives are almost certainly more popular at the moment than Mr. Gorbachev's cautious reformism — and largely because they provide clearer answers to the basic question of Russian identity.

On the right (first alternative) there is a traditional reactionary answer to the question of Russian identity. Not only among delegitimized bureaucrats but also among worried writers and ordinary people, there has been a resurgence of Great Russian chauvinism, which sees a strong, Russian-dominated political machine as the only glue that can hold together an otherwise fragmented and potentially anarchic imperial domain.

This reactionary answer to the question of Russian identity derives authority from the experience of managing the largest and most long-lived empire of the modern world. The Russian army and police and the Russian language have been the controlling el-

ements in an empire in which subject nationalities have been essentially kept in territorial compounds and played off against one another.

In striking contrast with most of Eastern Europe, nationalism in Russia has always been a reactionary, imperial banner. But it is a popular flag that will surely find more appealing bearers than Yegor Ligachev if the opportunity for replacing Mr. Gorbachev should arise.

Second alternative: Directly opposite the nationalists on the right are the radical reformers to Mr. Gorbachev's left. They are led by educated Russians, principally Muscovites, who argue that Russia's proper identity can be found only by proceeding directly to build a pluralistic, multiparty democracy based on the rule of law following essentially Western models. They see a new Russian identity being forged by the moral tasks of building a just society rather than by the physical exercise of sustaining an empire.

The radicals on the left have lost a great moral leader in Andrei Sakharov, but they have won the moral high ground and much of the best talent in the new post-Stalinist generation. They will probably find a more effective leader than Boris Yeltsin, if power should come within reach.

Maneuvering between two positions that both have broader support than his own, Mr. Gorbachev may nonetheless succeed in gradually moving the Russian people toward the kind of de-ideologized, productive dynamism (third alternative) in which he seems to believe.

If he were able to open up the economy more boldly or de-collectivize agriculture and thus raise living standards, he might develop a sustaining constituency for what seems to be a third alternative of his own. This would be a pragmatic authoritarian identity that discards traditional questions of national identity

altogether and avoids the need to re-legitimize the system by either returning to Russian tradition or plunging on to real democracy.

But his increasingly conservative and unproductive economic policy has produced all the remnants of an open competitive system while retaining all the inefficiencies of the old centralized command system.

I found a consensus in Moscow that unless there is a turnaround in the declining standard of living, the odds will favor more internal violence that will produce a reactionary turn and probably sweep away Mr. Gorbachev's already retrenched reform program. Hence, the pessimism, the apocalypticism and the growing desire either to get out before there is a search for scapegoats or to keep one's head down.

It all boils down to the question of whether the Russians can find a non-reactionist and nonauthoritarian identity for themselves — a way of feeling good about themselves without feeling hostile to others.

The conventional wisdom is that this is asking too much of human nature in general and of an aggrieved people like the Russians in particular. But this last conventional wisdom might prove as wrong as the preceding ones. For we have entered a world of unpredictable contingencies in which the thirst for freedom has spread like an uncontrollable epidemic.

The Russians may be developing a fourth alternative answer to the problem of identity that is more positive than mere chauvinism and may, indeed, be the prerequisite for any long-term evolution toward democracy.

The writer, author of "The Age and the Lion: An Interpretive History of Russian Culture" and "Fire in the Minds of Men," is librarian of Congress. He contributed this comment to The Washington Post.



By KAL  
The Economist  
C&W Syndicate

## Secret Police: The Mess Is Going to Take a Lot of Cleaning Up

By Jim Hoagland

PRAGUE — On the third floor of Czechoslovakia's infamous factory, you turn left by the elevator, pass the grimy-eyed security man standing guard and find yourself before the secret police of Klement Gottwald, one of the century's great political butchers.

His favorite simile is posted here to remind secret policemen of their duty: "The police are to the people what the eyes are to the head."

Mr. Gottwald led the Communist Party's coup d'état that dropped the Iron Curtain on Czechoslovakia in 1948. The secret police quickly became not only the eyes of the regime but also its most honored and most valuable priesthood. The fortress-like headquarters of the political police became the cathedrals of Eastern Europe's ideological crusades, who purified and enforced the Communist faith in the torture chambers and surveillance centers of these gloomy, dank complexes.

"It is very unusual to have civilians in this building," the new Czechoslovak interior minister, Richard Sacher, tells a small group of Americans he ushers into his office, which is still adorned with a revolver mounted on a pedestal and with heroic statues of police dogs who guarded the frontier against escape.

"To have here foreigners, and American journalists at that, is new," says the minister, who has a gift for understatement.

The red cathedrals have fallen to the people in Eastern Europe's multiple revolutions. In East Berlin, citizens spray-painted their anger and hatred of the spies in their midst on the walls of the spies' elevated bunker and then broke into the building. In Hungary, the discovery that the secret police have continued tapping telephones of political leaders has led to similar public outcry.

The secret police networks set up by the Soviets and avidly run by their local puppets were the heart of the Communist system. As they attempt to consolidate their revolutions, Eastern Europe's fledgling democratic forces are finding that the evil heart is still beating even though the political arms and legs of totalitarianism have been broken.

"The security apparatus in all of these countries, the army and the police, are still in the hands of the Communists," a Western diplomat says. "We cannot simply say democracy has won this struggle. The next six months will be as important as the last six months were."

Consider Mr. Sacher's plight. An administrator trusted by the Civic Forum movement that engineered the "Gentle Revolution," he has brought four aides with him to try to gain

control over a police apparatus that numbers in the tens of thousands and has amassed files on all of the politically active population.

"People are asking that we immediately dismantle the secret police, and they are right from a moral and legal point of view," Mr. Sacher says. "But it would mean that there would be no passports or visas issued, since they control those services, and so much more. They imbedded themselves in every part of our lives. Financial limits did not exist for these people. They had a never ending flow of money."

The heavy price that not just dissidents but the society as a whole paid to maintain a totally unfettered bureaucracy is only now being discovered. Mr. Sacher says that when they found evidence of criminal activity, the police routinely put it in political use through blackmail rather than making criminal charges.

Police secretly sought to set up an underground chain of corruption as a multiplier of their coercive power. They bought and sold indulgences, and people, on a massive scale. The lavish spending on spying starved the regular police force of resources. "There was one police car for every 30 officers in many districts," Mr. Sacher recounts. "They had to walk to go make arrests and bring in criminals."

In East Germany, files seized by an investigative committee show 85,000 agents on the

domestic and foreign spying payroll. Two to three times that number of "official workers" cooperated with the secret police. The spy cops ran large companies and tended the hunting lodges and vacation resorts of a leadership that preached austerity and equality.

The secret police have gone to ground during this political hurricane, becoming meek and discovering a previously hidden respect for democracy. In Hungary and Czechoslovakia, case officers sent dissidents they formerly persecuted Christmas cards last December.

But the security police are back at work, trying to rekindle the divisive hatreds and fears they nurtured for four decades. In Prague they are believed to be behind forged leaflets issued in the name of Civic Forum that call for violence and revenge against Communists.

Eastern Europe's democrats face a terrible choice: to try to reform police institutions that are inherently anti-democratic and repressive, or to risk violent upheaval by destroying them. The logic of the Gentle Revolution is to try persuasion and forgiveness. That may turn out to be only an opening bid.

While ushering us out, Mr. Sacher ambles his jacket to show that the revolver on the pedestal is not the only one in his office. He has come prepared for work.

The Washington Post.

## Helping Eastern Europe: The Marshall Plan Had Clever Ideas

By Susan Strange

This is the second of two articles.

FLORENCE — In the last two months the American, West European and, now, Japanese governments have rushed to offer emergency aid to the East Europeans. They were right to make a spontaneous gesture of sympathy. But, as they now begin to realize, they were wrong to think it was enough. The aid will soon be gone and the problem of how to reinstate the Eastern countries as equal participants in the European economy will still be unsolved.

It was the same after World War II, in the late 1940s. Recovery nearly came to a halt as Western Europe ran out of hard currency. Emergency aid, through the United Nations Relief and Rehabilitation Administration, the British loan of 1945, American help to the U.S.-British area of occupied Germany and loans from the World Bank was soon exhausted.

Then as now, the solution was not to abolish all controls and hope that the market would sort it out. The result, as in the 1920s, would have been rampant inflation, monetary chaos, unemployment and slow recovery.

The solution was to negotiate, by a

subtle combination of sticks and carrots, a transitional stage. It was called the Marshall Plan. It had some clever ideas that the West, and especially the European Commission in Brussels, would do well to think about.

One was to offer really big long-term credits — \$17 billion in 1947 dollars, or about 10 times that in today's money — but to insist that the recipients, not the donors, must decide on who was to get how much. It was the only way to escape an invidious position for the Americans and to avoid endless dissension in the U.S. Congress among the advocates of competing claimants. And they were invited to meet not in Washington, with begging bowls, but in Paris, as sovereign states.

The East Europeans say they do not want charity. Nor do they want to become chronic debtors. An open invitation to the East Europeans (and perhaps to the U.S.S.R., as an observer) to come not to Brussels but, say, to

Warsaw or East Berlin and to take on the responsibility for collectively planning economic recovery would be a smart political move by the West.

Another good idea was to use counterpart funds (the equivalent of U.S. grant aid in the local currency) as a means of dealing differently with countries whose political situation and economic plight were as different as those of Britain and Greece in 1947 — or Romania and East Germany today. How they were to be used was to be negotiated by each country dealing bilaterally with the Americans.

In the 1990s, this would be the ideal way to insist that Poland, for example, spend zlotys on checking pollution. The Swedes, who suffer most, are already doing this. Each of the present creditors — Japanese, American, the European Community and the EFTA countries — could exert its own influence through negotiations over counterpart funds.

Political interference is another

matter; it must be avoided at all costs, as regards both the domestic party politics of the Eastern countries and their relations with the Soviet Union, with each other or with the European Community. Even trying to use aid as a lever for human rights, as Washington tried to do with the Soviet Union in the 1970s, would most likely be counterproductive.

Indeed, the great advantage of a recovery program that is expressly and explicitly transitional, a stage on the way to full integration in the world economy, is that it would help to put serious political and strategic questions — notably German reunification — on hold. It would put economic production at the top of the list, giving time for emotions for and against a united Germany to cool.

It would be an essential part of the recovery program that during this transition period the former Communist states should be allowed to discriminate against imports from the West in favor of imports from each other. East Germany is the strongest one of the group. Its cooperation with the others would be vital to regenerating trade among them. To join it abruptly with the affluent Federal Republic would make it a colony, a depressed area open to exploitation of all kinds by Westerners. The Irish, or southern Italians, can testify to the doubtful benefits and serious costs of being united with richer neighbors. It is not in the interest of the East

Germans — nor in the longer run even of the West German states — to rush into marriage. A transition period of cohabitation would be better for both, if history is any guide.

And there is one last lesson to draw from the postwar record: Governments should not try to do it all by themselves. To begin with, they could borrow an idea from the World Bank and use such loan capital as they can raise as collateral for an issue of Recovery Bonds. Backed with official guarantees, they would give many ordinary people anxious to help a personal stake in the Eastern European Recovery Program.

Nor are government officials the best advisers on productivity — in the shoe industry, coal mining, pig breeding or any other business. That should be left to people in the business. In the 1950s, the Americans recognized that, with their productivity councils and exchanges of visiting businessmen. No amount of official exhortation or officially organized management "training" is half as good as a man-to-man exchange of ideas between professionals. After all, it was bureaucrats who got the Communist economies into this mess. It's unlikely that bureaucrats alone will get them out of it.

The writer is professor of international relations at the European University Institute in Florence. She contributed this comment to the International Herald Tribune.

## 100, 75 AND 50 YEARS AGO

### 1890: Epidemic of Peace

PARIS — The Herald says in an editorial: The epidemic of influenza has the one advantage that it is a preserver of the public peace. War is out of the question when armies are suffering from the prostrating effects of the gripe. We can fancy an army, say, of 200,000 men receiving orders to march to attack. The attacking army would have to leave at least 150,000 men in the hospital, and the sneezing of the remaining 50,000 would warn the enemy of their approach. We may be quite sure that no European war will break out until the influenza has vanished, especially as the disease has shown a marked fondness for soldiers.

### 1915: War Premeditated

LONDON — The Austrian papers frankly admit for the first time that the present war was decided upon last spring by the German Emperor and Archduke Francis Ferdinand, who was murdered at Sarajevo. The "Neue Freie Presse" compares the visit by Archduke Charles Francis to the Kaiser's headquarters to Emperor William's visit last year to the late heir-apparent when the future of the Adriatic and the Mediterranean was discussed.

### 1940: A Vague Answer

LONDON — Prime Minister Neville Chamberlain created a stir today (Jan. 24) by giving a conspicuously noncommittal answer in the House of Commons as to whether Great Britain would break off diplomatic relations with Soviet Russia in consequence of the Soviets' "unprovoked aggression on Finland." "The decision whether or not to break off relations with the Soviet government is one which would require most careful consideration in all its aspects." In his guarded way, Mr. Chamberlain was following Winston Churchill's course expressing the growing tendency here to lump the Soviets with Germany in the "enemy camp," even though London is unlikely to declare war on Moscow soon.







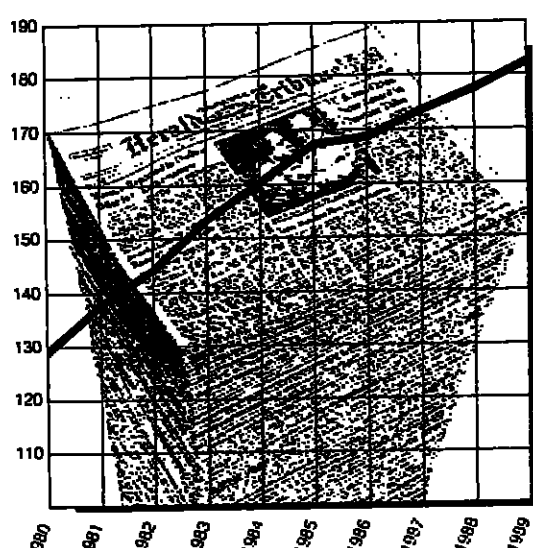
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## A Decade of Growth for the Global Newspaper



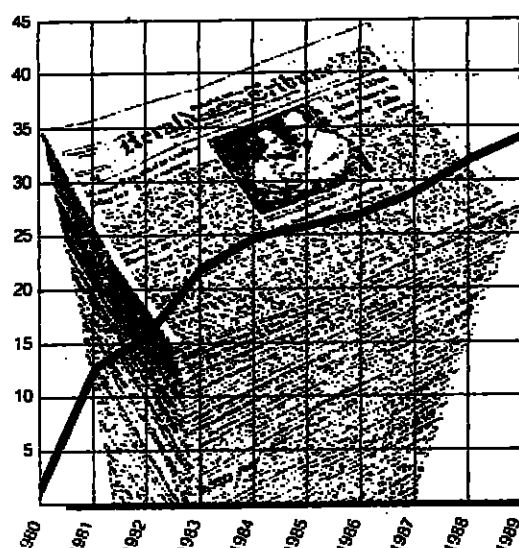
Circulation and advertising growth are the twin barometers of publishing success and, as the charts below eloquently demonstrate, the International Herald Tribune achieved outstanding results on both counts during its tenth decade of existence.

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Over the ten-year period, circulation increased by 40% worldwide, stimulated by growing demand for the IHT's brand of objective journalism and by the creation of eight facsimile printing locations.

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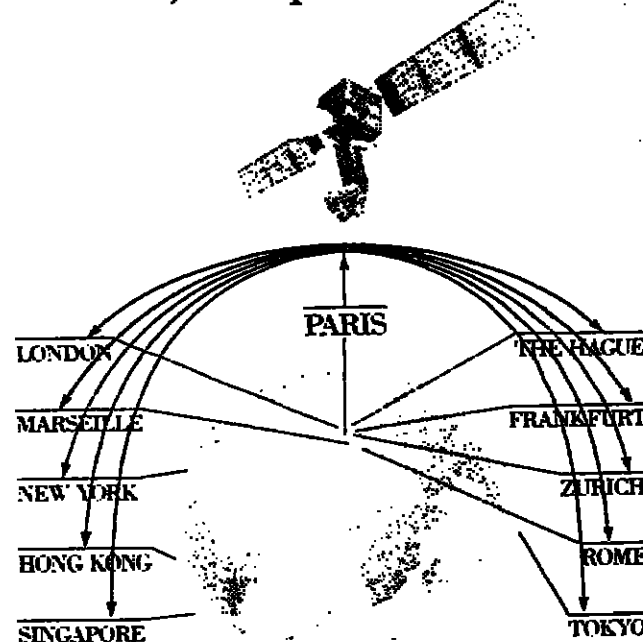


Circulation was especially strong in Asia where the IHT added some 30,000 copies since 1980.

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Advertising revenues were also up dramatically — by 131% between 1980 and 1989 — as international marketers increasingly recognized the value of the International Herald Tribune's elite audience.



It was also a time of rapid expansion in the operations of the Global Newspaper, starting with the 1980 inauguration of an Asian facsimile edition in Hong Kong, followed by Singapore in 1982. Other facsimile editions were launched in The Hague (1983) and Marseille (1985). A Miami edition was started in 1986 — and transferred to New York in 1988. In 1987, the IHT celebrated its centennial year by adding two more remote printing locations — in Rome and Tokyo. Finally, to close out the decade the paper's eleventh printsite was opened in Frankfurt in September 1989.

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Prague  
Country  
Weapon

By Craig R. White  
New York Times Service  
PRAGUE — Foreign  
Minister has promised  
Czechoslovakia will end its  
nuclear weapons exports  
immediately.

Mr. Dienstbier, 52, a  
journalist and dissident, said  
that negotiations to get  
nuclear weapons out of the  
country were being completed.  
His statement came as  
Moscow's preoccupation  
with the Soviet republics  
grew.

Mr. Dienstbier also  
said that the United States  
had made a unilateral gesture  
in the process of withdrawing  
its troops from Czechoslovakia  
and that before either  
side could revise their  
strategic concepts of the  
country's role in the world,  
the two sides must work  
out a new agreement.  
He did not say how exact  
the agreement would be.  
"There are very many  
things we don't know about  
the 40 years they were  
secretly camouflaged under  
the name of the state," he said.

He said that the way the  
country had high explosives  
gone into the hands of  
the Czechoslovak Army and  
other groups — as the  
country's role in the world  
changed, there was no  
doubt that the country was  
in a state of transition.  
He said that the country  
was in a state of transition  
and that the country was  
in a state of transition.

He said that the country  
was in a state of transition  
and that the country was  
in a state of transition.  
He said that the country  
was in a state of transition  
and that the country was  
in a state of transition.

### SOVIET:

(Continued from page 5)

According to the Communist  
Party Central Committee, the  
country was in a state of  
transition. The country was  
in a state of transition.

According to Tass, 52  
were arrested in Azerbaijan  
last Tuesday under charges  
of espionage. The charges  
were without foundation.  
The charges were without  
foundation. The charges were  
without foundation.

They said the military as  
a whole had been in a  
state of transition. The  
country was in a state of  
transition.

Most of the arrested  
were low-level members  
of the military. The  
country was in a state of  
transition.

They said the military as  
a whole had been in a  
state of transition. The  
country was in a state of  
transition.

They said the military as  
a whole had been in a  
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a whole had been in a  
state of transition. The  
country was in a state of  
transition.



## Prague Aide Says Country Will End Weapons Exports

By Craig R. Whitney  
New York Times Service

PRAGUE — Foreign Minister Jiri Dienstbier has promised that Czechoslovakia will end its lucrative worldwide arms-export trade immediately.

Mr. Dienstbier, 52, a former journalist and dissident, said Tuesday that negotiations to get Soviet troops withdrawn from Czechoslovakia were being complicated by Moscow's preoccupation with violence in the Soviet republic of Azerbaijan.

Mr. Dienstbier also expressed hope that the United States would make a unilateral gesture in response if the Soviets withdrew, and he said that German reunification might come before either East or West could revise their obsolete strategic conceptions of the world.

Czechoslovakia's trade in weapons and explosives worldwide is considerable, but Mr. Dienstbier said he did not know exactly what it was. "There are very many things we don't know about exactly, because for 40 years they were very cleverly camouflaged under various entries," he said.

He said that the way the Czechoslovak-made high explosives, like Semtex, got into the hands of the Irish Republican Army and other terrorist groups — as the British and other governments said they did — was difficult to determine.

"Officially, there was never anything ever sold to terrorist organizations," he said, adding: "This kind of trade is done throughout the whole world in such a sophisticated manner; it's not only Czechoslovakia, it's everywhere — you can't really prove the real origins."

Mr. Dienstbier and President Vaclav Havel have promised a new approach to foreign policy, and they have delivered.

The government has demanded that the 70,000 to 75,000 Soviet troops stationed in Czechoslovakia be withdrawn by the end of the year. But Mr. Dienstbier said the negotiations on the withdrawal, which began Jan. 15, might have been complicated indirectly by civil disturbances in the Soviet Union.

"In the Soviet leadership hardly anybody has any time today to deal with anything but burning problems, in a situation when there are thousands of dead and wounded in Azerbaijan," he said.

Asked if the government would formally encourage the United States to pull out troops from Western Europe if the Soviets left Czechoslovakia, Mr. Dienstbier said, "I think that when one side does something, it is possible for the other side also to do something."

"I'm convinced that the withdrawal of the Soviet armies would have a tremendous positive influence on the entire international situation," he added.

On the importance of the political survival of Mikhail S. Gorbachev for the withdrawal process, Mr. Dienstbier said the fate of the Soviet president was not "all that important."

But Mr. Dienstbier said there was a danger that the Soviet Union could become a focal point of great world tension unless it managed peacefully to solve an endless series of mutually interconnected problems — the economy, society, nationalities, religion.

The minister said that for the Soviets to deal with all of these problems at the same time, was "essentially beyond human strength."

Mr. Dienstbier was asked, as a citizen of a country whose fate for 50 years had been determined by German aggression, what he thought of the prospect of German reunification.

"I don't think we have to be afraid of the reunification of Germany," he said. "But at the same time we shall have to proceed very quickly in all of Europe so as to knock down as quickly as possible all the artificial barriers created here over 40 years."

Mr. Dienstbier, who was a foreign correspondent for Czechoslovak radio in Washington in 1968 before he was recalled and banned from journalism by the Soviet-installed regime, was a frequent guest of the U.S. Embassy during his long years in and out of prison for his witness to human rights.

But he criticizes some U.S. policies.

On the December 1989 U.S. military invasion of Panama, Mr. Dienstbier said that he did not think the U.S. policy toward Latin America had been "very felicitous."

"Though we Czechoslovaks practically have it coded in our genes that everything is caused by foreign intervention, I'm not really willing to believe that anti-Americanism in Latin America is caused only by outside elements," he said.

He added, "The whole American history with General Noriega was dubious from the very beginning."

Mr. Dienstbier also said he would not move to the official Foreign Minister's third-floor apartment in Prague's medieval castle hill. There, his last non-Communist predecessor, Jan Masaryk, either jumped or was pushed to his death in 1948 after the Communist takeover from a third-floor bathroom.

Mr. Dienstbier said it was of no use to speculate about the reasons for Mr. Masaryk's death "because it is clear that if there was something behind it, the participants and the documents have been destroyed."

All the files on the Masaryk case were discovered when the historians went through the files in 1968.

## U.K. Scarf Wrap-Up



Diana, Princess of Wales, in a Muslim scarf during a visit to an Islamic center in North London on Tuesday, the day the Alvi sisters of Altrincham were allowed to return to their studies wearing the scarves. For six weeks Aisha, 14, left, and Fatima, 15, had been kept from their girls' grammar school, whose officials said the scarves were a safety hazard. Muslim girls past puberty must cover their heads in the presence of men who are not close relatives. Four men work at the school. The girls can wear the scarves except in science and gym classes.



## SOFIA:

Defying the Party  
(Continued from page 1)

focused and student every week. Yet the movement is still testing the limits of its strength and of the government's new tolerance.

And the power levers held by the Communists have not helped them stave off a political crisis that most analysts predict will end their rule.

The party is saddled with a dark legacy in politics and economics. Accused of corruption, embezzlement and nepotism, the Zhivkov regime also faces charges of illegally imprisoning thousands of ordinary citizens and trampling the civil rights of nearly one million ethnic Turks and other minorities.

Mr. Zhivkov is under arrest and awaiting trial on most of these charges, and others were expected to join him in the dock.

The regime also faces a special accounting for deceit. When the Chernobyl nuclear disaster struck the Soviet Union four years ago, Mr. Zhivkov's ministers told the public not to fear, that the country's food and water were unharmed. While most children drank contaminated water and milk, the families of the country's political elite ate imported food and drank bottled water from France.

"You can't forgive something like that," said a Communist Party member who serves as a senior civil servant here. "Those who knew but kept quiet should lose their jobs. Those who ordered them to keep quiet must go on trial."

Among those who are being tarred with the brush of Mr. Zhivkov's record are the new party leader, Petar T. Mladenov, who served as Mr. Zhivkov's foreign minister for 18 years, and Prime Minister Georgi I. Atanasov, a holdover from the old regime. Analysts say both men face an uncertain future.

The party itself is beginning to fracture. New factions like the Alternative Socialist Organization and The Road to Europe, made up of younger reformists, are expected to demand a purge of veterans at a party congress set for Tuesday.

Andrei K. Lukinov, Mr. Mladenov's deputy and the man who may succeed him as leader, says the party will "renovate itself."

But getting rid of old faces will not solve Mr. Zhivkov's other legacy: a battered economy. Bulgaria's gross foreign debt of \$10 billion rivals that of Poland in per capita terms. No one knows the inflation rate, because figures were never compiled. Mr. Zhivkov's government outlawed inflation, thus it did not officially exist. It also banned poverty and unemployment.

## Iranian-Soviet Tension Is Increasing

By Youssef M. Ibrahim  
New York Times Service

PARIS — Mounting support by Iranian politicians, members of parliament, the press and the public for the Muslim Azerbaijan revolt against the central government of the Soviet Union appeared Wednesday to be pushing Tehran toward a confrontation with Moscow.

Reflecting the Soviet government's growing concern about what it perceives to be Iran's drift toward supporting the revolt, a Soviet deputy foreign minister, Alexander A. Bessmertnikh, met Wednesday with Iran's ambassador to discuss the unrest and the border situation between the two countries, the official press agency Tass reported.

Iranian affairs experts said they continued to believe that the government of President Hashemi Rafsanjani was anxious to avoid a confrontation. But, they said, popular sentiment in Iran is being influenced by strongly sympathetic reporting that champions the Muslim Azerbaijanis in the Soviet Union.

Despite a sharp warning from Moscow to Iran on Tuesday to keep its distance from the conflict, the official Iranian News Agency stepped up its reporting Wednesday. It said hundreds of Soviet Azerbaijanis, within sight of Soviet troops, had again started to build a bridge across the Araks River on the border.

The troops had stopped construction on the bridge on Tuesday, the press agency said, but yielded to pressure "following a gathering of the people and their ultimatum to the Soviet forces." It did not elaborate.

The Iranian press agency, which is monitored in Moscow, also reported that female television announcers in the Azerbaijani enclave of Nakhichevan wore black headscarves in mourning for what it described as "victims of the Bakn carnage," a reference to Azerbaijanis killed in the republic's capital on the Caspian Sea as Soviet troops imposed a state of emergency on Saturday.

"The potential for deterioration is there, but it will take a more powerful catalyst to provoke it," said Roger Moin, an Iranian political analyst and author who lives in London.

Mr. Moin said that if Tehran had better relations with the West, it would not have hesitated to take a more activist role in supporting the upheaval across its border.

"Things might have looked different in that case," he said. "But for now, Iran cannot risk damaging

the economic and other ties it has forged with Moscow, although events may eventually sweep all of that away."

One Iranian official said the intensity of the upheaval and the "tenacity" of the Azerbaijanis was diluting the value of whatever ties Iran has with the Soviet Union. "It is a matter of the legitimacy of the Iranian revolution, which is based on supporting Islam," the official said.

The intense concern of the Iranian press with the events in Azerbaijan has continued despite a public reprimand from the Soviet Union on Tuesday.

Radio Moscow's Persian-language program, exclusively directed at Iran, in a broadcast monitored by The Associated Press in Moscow, warned Iranian politicians to stop making inflammatory statements supporting the Azerbaijanis.

"Any unconsidered nationalist or religious appeals would be dangerous," Moscow Radio was reported to have said. "Brutal and

illusory nationalistic flights of fancy have dragged the people to the brink of the precipice."

The broadcast singled out Mehdi Karubi, the speaker of Iran's parliament, the Majlis, and accused him of "political blindness."

The speaker, who is a militant supporter of exporting Iran's Islamic revolutionary ideas, had warned Moscow on Sunday that its actions in Azerbaijan could "create more problems for the Soviet Union."

Shortly after the imposition of the state of emergency in Azerbaijan, Tehran radio reported that 160 of the 270 members of the Majlis had signed a publicly read letter that called on the Soviet president, Mikhail S. Gorbachev, to exercise restraint in the use of troops.

The letter urged Mr. Gorbachev "not to be influenced by the conspiracies of global arrogance and criminal America, and to deal with the Muslims of the Soviet Union with compassion," the Iranian News Agency said.

## EC Panel Studies a Ban On All British Cattle as Mystery Plague Widens

By Barry James  
International Herald Tribune

The executive commission of the European Community is recommending an indefinite ban on all shipments of cattle from Britain, with the exception of calves less than six months old, because of an outbreak of a mysterious, incurable disease that is fatal to the animals.

The measure was primarily prompted by concern about possible spread of the disease to continental herds. But some experts have also expressed fear the ailment could be passed on to people, although the British government says there is no evidence that this is the case.

The ailment is bovine spongiform encephalopathy, or BSE, popularly known as mad cow disease. It is akin to scrapie, a viral disease of sheep and goats, which affects the brain and nervous system.

A spokesman for the Ministry of Agriculture, Food and Fisheries in London said the fact Britain has a large number of sheep might have contributed to the prevalence of the disease in the British Isles, but not elsewhere in Europe. The disease may have crossed to cattle, the spokesman said, by the practice, banned since July 1988, of including sheep offal in cattle feed.

This crossover has led some experts to fear that a similar degener-

ative nervous disease could be passed to humans who eat tainted offal.

Although the food minister, David Maclean, insists there is no evidence of the disease posing a threat to humans, the British government has since November banned the use of cow offal such as the brain, spinal cord, spleen or tonsils in meat pies, pastes, soups and other products sold for human consumption. The sale of ordinary meat is not subject to restriction.

The government maintains that there is no evidence that an infected cow can pass the disease to her young through her milk, or indeed to humans. Nevertheless, the sale of milk from infected cows is not allowed in Britain.

A spokesman for the European Commission said the executive was proposing a ban on exports of British cattle to take effect March 1. It will come into effect automatically unless agriculture ministers decide at their next meeting on Feb. 6 that it is not necessary.

The ban would affect the export of breeding cattle, but would otherwise have minimal impact on British farmers, according to the spokesman for the ministry.

From January to November last year, the spokesman said, Britain exported 288,000 head of cattle worth \$47 million (\$75 million) to partners in the European Community, but all but 9,000 head were less than six months old and would have escaped the ban anyway.

According to the EC spokesman, the ban is being imposed strictly on veterinary and health grounds and does not come under the community's competition rules. Similar bans have been imposed during outbreaks of foot and mouth disease and other infectious or contagious ailments, including a current prohibition on cattle imports from Spain because of an outbreak of contagious bovine pleuropneumonia.

The alternative to imposing a blanket ban on British exports would be to assure that slaughterhouses on the continent remove all offal before the meat is offered for human consumption. The EC spokesman said this was not feasible, since there was no indication that cattle in the continent have been infected.

But the commission accepted the British government's view that the disease is not found in calves and that it is safe to sell offal from young animals for use in human food products. These were therefore exempted from the ban.

About 9,500 head of cattle have died in Britain since the disease was first reported in 1985.

## SOVIET: Troops Bombard Ships

(Continued from page 1)

A meeting of the Communist Party Central Committee that had been scheduled for next Monday has been postponed for a week in order to allow passions to cool.

According to Tass, 53 people were arrested in Azerbaijan overnight Tuesday under emergency regulations that allow the army to hold suspected troublemakers for 30 days without bringing them before a court. A further 57 people were detained for violating the 11 P.M.-to-6 A.M. curfew.

Tass said the military arm of the Popular Front had been banned by the military commander of Baku, Lieutenant General Vladimir Dubynak. It said that the headquarters of "illegally functioning informal organizations" had been "neutralized" and that copying machines and "propaganda facilities" had been confiscated.

Most of those arrested appear to be relatively low-level members. In a telephone interview from Baku, the editor of the Popular Front's newspaper, Nafiz Najafov, said none of the movement's 14-man governing board had been arrested. For the second time in three

days, Soviet television described the Front as enjoying widespread popular support, depicting it as an essential partner in any negotiated settlement. But so far, there has been no sign of a start of talks between Front leaders and the authorities in Moscow.

The Azerbaijani Communist Party leadership met in emergency session Wednesday to choose a successor to the former party chief, Abdul R. Vezirov, who was dismissed shortly after the imposition of the state of emergency.

Mr. Vezirov, reported to be hospitalized in Moscow, has also been expelled by his local party branch.

According to some accounts, the leading conservative in the Soviet Politburo, Yegor K. Ligachev, was attending the Azerbaijani Central Committee session.

The Azerbaijani party is in disarray. Tens of thousands of Communists have quite in disgust since the army shot its way into Baku, many publicly burning their party cards during demonstrations.

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## YSL: For Saint Laurent, Born-Again Couturier, His Best Show in 10 Years

(Continued from page 1)

be given an unexpected reprise later. The line was strict, the shoulders wide, the fabrics stiff — piqué, tulle and shantung. But within the rigid framework, a pale satin blouse melted against the skin or a chiffon scarf flowed. Among the familiar tailoring was an easier high-waisted skirt and a fresh white cotton duffel coat.

Saint Laurent was pure — and he was playful, with hemlines bled and bodices draped or suspended low on the bosoms. Marriages of color made in heaven were perma-violet with imperial-purple, can-dol and aqua or mandarin-orange for a dress worn with a rose-pink scarf and daffodil-yellow shoes.

Prints were floral and romantic — irises floating on a lake of white chiffon, or roses sprinkled in a shower of satin for dresses draped narrow to the body. Rococo flowers like 18th-century wallpaper were whooshed into print dresses.

The master of simplicity interspersed these Mozartian creations with a column of navy satin or a gilded pillar of lamé. Or then again, he made an ingenue ball gown in spangled white tulle. The finale of a show that he was clearly orchestrating — even improvising — entirely himself, was a sugar-pink tulle

wedding dress, worn by house mascot 16-year-old Lucie de la Falaise, on the Paris runway for the first time.

For Yves Saint Laurent, it was the 62d haute couture collection (5 for Dior and 57 for his own house). He now holds the same position in Paris fashion that Balenciaga had when Coco Chanel described him as "le maître de nous tous" — "the master of us all."

Kal Rutenstein of Bloomingdale's expressed the fashion world's joy after Yves Saint Laurent and his heart-sick disappointment at Lanvin. "Isn't this a lesson for all those people who don't know the difference between couture and ready-to-wear?" he said.

The drama, detail and exquisite colorings of Montana's ready-to-wear shows have in past seasons brought tears to the eyes of hardened pros. His Lanvin show looked like a graduating art student's efforts made up by his mom.

Tension tingled during the customary Montana hour-long wait before the show. But instead of the expected excitement, the show went horribly limp.

It started with a short cloud-gray gear trench followed by a chain mail bolero over black leather jerkin and another trench over a vi-

ciously angled jump suit. By the time a trench had turned to show a black cage inserted at the backbone, it was clear that we were looking at fashion for art's sake.

But even that sculpted look, which Montana can do so well, was not quite right. The models' hair was straggly; a single glove hung in chiffon fronds like dead men's fingers; a silver spunk stick behind one ear was peculiar.

And so were most of the clothes. There were a few piqué or faille tops halving the shoulders and shown almost always with pants or shorts. A concertina of asymmetrical pleats was one of the few skirts.

In this futuristic couture, the idea of clothes that flatter was quite forgotten. If there was a theme, it was dredged up from the ocean floor, with murky colors from verdigris through shifting shades of sand. Decoration included copper bands and seashells clinging limpet-like to the upper arm.

Montana, in customary blousy and suede pants, came out briefly then fled.

The new trend of calling in established ready-to-wear designers to pep up the couture is proving a disaster — and proving a point.

All fashion's great couturiers, past and present, were trained in

the backroom. Yves Saint Laurent worked two years beside Dior and even then was fired after the master's death for being too unripe a talent. Givenchy and Ungaro all went through the rigorous studio of Balenciaga; Karl Lagerfeld was trained at Patou and even he started off clumsily at Chanel in 1983. Christian Lacroix, six years at Patou, is flowering in his 18th couture show.

Fashion's backers should trawl the studios of the mighty for the magicians' apprentices. And we should only wish that after 30 years they could be a Saint Laurent.

## U.S. Group to Launch Newspaper on Politics

The Associated Press

WASHINGTON — A free five-day-a-week newspaper on government, politics and the law, designed for delivery to offices each morning, will begin publication in Washington on Oct. 1, its backers said Wednesday.

Roger G. Kraus, publisher of the projected Washington Reporter, said a 20-page prototype would be published at the end of February. He said the newspaper expected to have a circulation of about 30,000.





## HEALTH/SCIENCE

## HEALTH Q&amp;A

## Cholera, Typhoid: Shots Aren't Enough

Michael McGarron, M.D., will answer questions from readers every other Thursday. Please write to him at the International Herald Tribune, 181 Avenue Charles de Gaulle, Neuilly 92521, France.

How effective are the vaccines for cholera, typhoid and yellow fever, which are required for travel to some areas of the world?

In general, vaccinations (or, more appropriately, immunizations) provide protection by stimulating the production of antibodies that will be "on alert" when the actual infection is threatening. It is important to realize that immunizations can rarely provide 100-percent blanket protection, but should be used with other measures of personal and social hygiene. Specifically, cholera vaccine provides protection only to a limited degree. Someone traveling to areas where cholera is endemic (such as India) should both receive the vaccine and

to changes in air pressure to the point that it becomes a handicap to air travel?

Ear "popping" is caused by a difference in pressure between one's middle ear (the structures just inside the eardrum) and the outside, when the vehicle in which we are traveling changes altitude. Usually, the pressure is equalized (through the eustachian tube) when we chew gum, swallow or blow gently against a blocked nose. If this tube gets blocked by thick secretions (such as in the case of sinusitis), equalization of pressure cannot occur and a painful earache results. If the normal maneuvers mentioned above do not provide relief, you may have an anatomic abnormality. It would be best to have this evaluated by an ear-nose-and-throat specialist.

I have seen references to so-called "free radicals" in pharmaceutical advertisements. What are these free radicals, and do they in fact cause cancer and premature aging?

Free radicals are unstable molecules that are capable of "borrowing" electrons from other molecules, changing the latter into a new free radical, and thereby setting off a chain reaction. As free radicals are generated by our body's response to pollution, cigarette smoke and certain foods, recent studies have implicated these reactive molecules in conditions such as atherosclerosis, strokes, arthritis, certain cancers (breast and lung) and premature aging. Our body has developed its own protective mechanism to neutralize or "scavenge" these free radicals, in the form of an anti-oxidant enzyme system (most notably super-oxide dismutase, or SOD). Some other protective effects are offered by foods rich in anti-oxidants such as vitamins A (and pro-vitamin A or beta-carotene), C, E and the mineral selenium. As some of these substances are toxic in excess amounts, one would be wise to consult with a qualified health professional before embarking on their indiscriminate consumption.

What can be done for those travelers whose ears do not adapt well



Guard at Kruger National Park distributing litter bags to tourists; a kudu in the park, where both animals and tourists are carefully managed.

## African Wildlife Parks: Back to the Tame?

By Jane Perlez  
New York Times Service

**K**RUGER NATIONAL PARK, South Africa — At high noon, in the glaring sun that washes out the sky to a barely perceptible blue, cars jam the paved roads in Kruger National Park as visitors peer from windows and sun roofs at a cluster of elephants or a pride of lions.

The park is a highly managed animal kingdom, one that has a predetermined number of various species — 7,000 elephants and about 1,500 lions, for example — and a fixed number of visitors allowed in each gate.

Many visitors to Africa seeking sweeping vistas of wilderness and untrammeled game find Kruger a Disneyland version of a national park, with its well-ordered roads and 30-miles-per-hour (50-kilometer) speed limit, its fencing at the

perimeter and its motel-like accommodations.

But to the 15 South African researchers at Kruger, and to some conservationists concerned with the preservation of wildlife on the rest of the continent, Kruger represents the wave of the future. Unlike most parks in economically depressed sub-Saharan countries, Kruger pays for itself through gate receipts and overnight visitors. It boasts a sharp anti-poaching force and maintains a wide diversity of flora and fauna.

Many African countries with growing human populations that compete with wildlife for land are finding it difficult to justify giving large swaths of land to money-losing national parks that are mostly visited by well-to-do foreigners. If these parks are to survive, will they have to go the way of Kruger?

"The level of management in Kruger is excellent and they are doing now what the parks in East Africa will have to do, particularly the ones with high populations around

them," says John Hanks, the director of the Africa program for the World Wildlife Fund for Nature.

Others are not so enthusiastic. "It is hyper-managed," says David Western, a Kenyan who is director of Wildlife Conservation International, a division of the New York Zoological Society. "I think there is too much management without knowing the basic ecology. It takes a long time to figure out how much variation there is in these parks — the savannas, for example, are highly fluctuating — and in Kruger they are dampening those fluctuations too much."

Kruger, roughly the size of Israel and the third-largest park in Africa after the Serengeti in Tanzania and the combined Masai Mara-Serengeti ecosystem that straddles Kenya and Tanzania, became an artificial place in 1959. At that time the western side of the park was fenced to prevent the spread of foot and mouth disease from wild animals to domestic livestock. In 1975, in a move to curb poaching, the 200-

mile eastern border with Mozambique was fenced with elephant-proof seven-foot-high (two meters) heavy gauge cable, some of it electrified to shock a frisky elephant but not kill it.

**T**HE fencing cut off the traditional winter migration paths. Thus, the elephants could no longer wander off when their population levels became too dense, and they began to destroy the woodland habitat with their voracious appetites.

With more elephants in the park than the habitat could support — an elephant population can grow 4.5 to 5 percent a year — a policy of culling was introduced in the 1960s as a way of limiting the number of elephants to 7,000. "You can ask 10 different scientists and get 10 different answers on what the correct number of elephants is for Kruger," said Dr. Anthony Hall-Martin, the chief research officer of the National Parks in South Africa.

The 7,000 figure was derived, he

said, from studies of the elephants' impact on the vegetation of the park and studies of competition for food and water between elephants and other rare or endangered species.

Kruger culls 300 to 800 elephants a year and sells the ivory, meat, skin (for leather products), bone meal, trophies and even hair, with the revenue going back into the park. Last week South Africa, along with its black southern African neighbors, including Zimbabwe, announced that it would ignore the ban on ivory sales agreed upon last October by member countries of the Convention on International Trade in Endangered Species.

Kruger's relative safety from poaching has allowed the reintroduction of animals that had been wiped out by excessive hunting. The black rhinoceros, last seen in the eastern Transvaal in the 1930s, was brought back in 1971. Now there are more than 100.

The reintroduction of the white rhinoceros has been so successful

that the park is moving white rhinos to other parks in South Africa and selling them at auction to private ranchers.

About two-thirds of Kruger's annual budget of nearly \$20 million, three times that for all of Kenya's 16 parks, is spent on tourism services, construction and administration. The rest goes to research and wildlife management.

More than 625,000 people drove through Kruger in 1988, 100,000 more than the year before and the same number of people who visited all of Kenya from overseas in the same year. Since 1981, the park has been open to South African blacks and people of mixed race, but Dr. Hall-Martin acknowledges that the number of black visitors is still low.

Despite the high numbers of visitors, park authorities say there is room for more. Indeed, they are planning to build more luxurious new camps for those who find overnight accommodation at \$25 to \$35 for rooms with three beds too plain.

## Seeking Roots of Sexual Deviance

By Jane E. Brody  
New York Times Service

**B**ALTIMORE, Maryland — The detailed sexuality of child molesters, exhibitionists, rapists and deviant murderers, as well as others with peculiar erotic interests that are less repugnant, has its roots in early childhood when the first links between love and sex are forged, a researcher has demonstrated.

Dr. John Money has traced the development of sexual perversions in scores of people and is the first to track their development from childhood origins to adult expression.

He has coined the word "lovemap" to represent the seemingly indelible brain traces that ultimately help determine what arouses people sexually and enables them to fall in love.

A "lovemap," as Dr. Money, an emeritus professor of medical psychology and pediatrics and the director of the Psychosocial Research Unit at the Johns Hopkins University School of Medicine, de-

fines it, depicts an idealized lover, love scene and program of erotic activities. Lovemap patterns develop similarly in both heterosexuals and homosexuals, he said. Through interviews and treatment of adults and children with distorted lovemaps, Dr. Money has concluded that the relevant brain connections are formulated between ages of 5 and 8.

Aberrant erotic development is often fostered by traumatic family and social experiences, and becomes solidified in fantasy, dreams and sometimes sex acts, during adolescence. The distortions that result, long called sexual perversions, are now known medically as paraphilias.

Most medical knowledge of the origins of paraphilia is based on memories reported by afflicted adults who have sought professional help, but Dr. Money has tracked the development of distorted lovemaps as they evolved.

Minor paraphilias are undoubtedly much more common than is generally realized, Dr. Money said in interviews. Most paraphilias, he explained, are innocent, even playful fantasies or fetishes that can easily fit into a normal relationship between consenting heterosexual or homosexual adults. These might include erotic arousal from a particular odor or fabric, a spanking or the wearing of women's undergarments by men.

But he emphasized that "a playful paraphilia should not dominate a person's life, cause severe pain or injury or become an obligatory part of the sex act."

But other paraphilias can be personally and socially devastating and preclude any semblance of normalcy. Men with vandalized lovemaps may ultimately be aroused and able to perform sexually only when surreptitiously watching women undress, or by

frightening them through a public display of genitals, or by killing them.

People with such paraphilias typically describe themselves as periodically overcome by an irresistible compulsion to perform their aberrant sexual acts. Dr. Money said they often lapse into a trance-like state that temporarily blocks rational thoughts and acts.

"Paraphilias are demanding, insistent and compulsive in their commands, and are not responsive to punishment or incarceration," Dr. Money wrote in a book published in 1968. After performing a paraphilic act like rape, Dr. Money said the person may replay the scene in fantasies that stimulate arousal during normal sex acts.

But, he added, "after a while the tape wears out and he has to perform another paraphilic act, in effect, to create a new movie."



Dr. John Money: Tracking development of "lovemaps."

## IN BRIEF

## Bolts of Lightning Stronger in South

**NEW YORK (NYT)** — Scientists have long assumed that lightning strikes with the same power wherever it occurs, but a new study contradicts that notion.

Dr. Richard Orville, an atmospheric scientist at the State University of New York at Albany, reported in the journal *Nature* that the mean peak currents of bolts striking the ground in the lower latitudes are nearly twice what they are farther north.

## Harnessing Magnets To Orbit Satellites

**WASHINGTON (WP)** — An electromagnetic gun that fires satellites from the ground directly into Earth orbit is the goal of a program at Sandia National Laboratories that has already achieved record speeds with a small experimental version of such a device.

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The research program began as part of the Strategic Defense Initiative's effort to develop space-based missiles. Now the idea has been brought down to Earth, and the gun is said to be potentially able to launch satellites up to 1,000 pounds into orbit far more cheaply than can conventional rockets. The satellite is fitted onto a platform built to respond to a sequence of electromagnetic pushes and pulls. The magnets are switched on and off in sequence and timed to coordinate with the accelerating platform.

## Marlin Gets Its Fight From Its Flexibility

**NEW YORK (NYT)** — The powerful leaping abilities and the fighting movements of the great blue marlin are a result of its flexible structure, a zoologist has found. "We thought the backbone of the marlin was like a stiff spring," said the zoologist, Dr. Stephen Wainwright of Duke University. "But we found out that a big marlin is as supple as an eel. It is very flexible."

Dr. Wainwright and several stu-

dents at Duke studied live marlin off Hawaii for two months. Using videos, the researchers found that the marlin's performance results from a graded flexibility along the fish, rather than an elastic quality. They determined that the marlin's neck is more flexible than the tail, unlike any other fish.

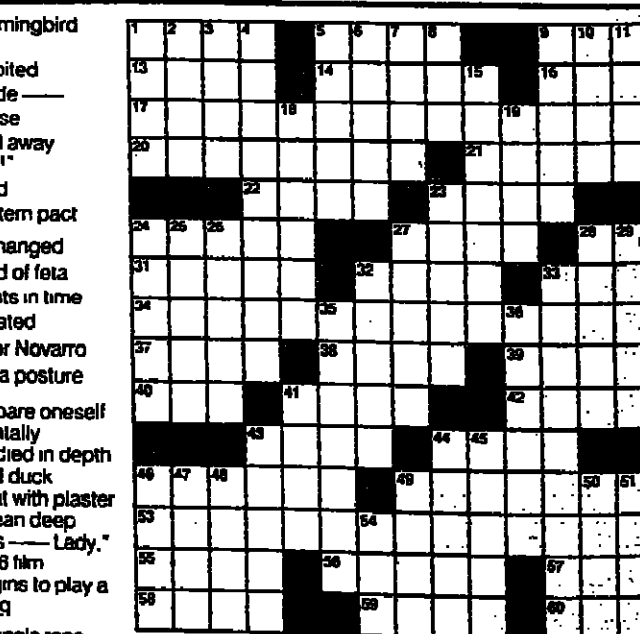
## Antibiotic Cuts Surgery Infections

**NEW YORK (NYT)** — A dose of an antibiotic given to patients

before they undergo breast surgery reduces post-operation infections, a new study has found.

While some surgeons have been using antibiotics before such simple operations, the practice is not widespread and is often disputed.

"This is the first good evidence that shows it is worthwhile to use prophylaxis on relatively clean surgical procedures," said Dr. Richard Platt, who led the study. "There has been no standard of practice thus far."



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Country	Currency	1 year	6 mos.	3 mos.
Austria	Sch.	4,400	2,200	1,100
Belgium	B.F.	11,000	5,500	2,750
Denmark	D.Kr.	2,200	1,100	550
Finland	F.M.	1,700	850	425
France	F.F.	1,500	750	375
Germany (West)	D.M.	980	490	245
Italy	Lira	230,000	115,000	57,500
Japan	Yen	1,100,000	550,000	275,000
Netherlands	Gld.	1,100	550	275
Norway	Nkr.	2,200	1,100	550
Portugal	Esc.	22,000	11,000	5,500
Spain	Pes.	32,000	16,000	8,000
Sweden	Skr.	2,200	1,100	550
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## CURRENCY

Currency	Rate	Rate	Rate
Australian dollar	1.54	1.54	1.54
Canadian dollar	1.25	1.25	1.25
Deutsche mark	1.63	1.63	1.63
French franc	6.55	6.55	6.55
Italian lira	1,366	1,366	1,366
Japanese yen	163.6	163.6	163.6
Swiss franc	1.48	1.48	1.48
U.S. dollar	1.00	1.00	1.00

## DOLLAR VALUES

Currency	Value	Value	Value
Australian dollar	1.54	1.54	1.54
Canadian dollar	1.25	1.25	1.25
Deutsche mark	1.63	1.63	1.63
French franc	6.55	6.55	6.55
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## INTEREST

Interest rates on various currencies and bonds.

## FOREIGN RATES

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Canadian dollar	1.25	1.25	1.25
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Swiss franc	1.48	1.48	1.48
U.S. dollar	1.00	1.00	1.00

## MONEY RATES

Currency	Rate	Rate	Rate
Australian dollar	1.54	1.54	1.54
Canadian dollar	1.25	1.25	1.25
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U.S. dollar	1.00	1.00	1.00



## INTERNATIONAL MANAGER

### Romance at the Office: The Taboo Gets a Break

By Sherry Buchanan

International Herald Tribune

LONDON — Companies are often uncomfortable with romance or marriage at work. But the office may well become the dating agency of the 1990s, especially as younger executive women no longer feel they have to pretend to be taken seriously. Some companies faced with an inter-office marriage, rather than dismissing one of the people involved, are starting to consider the benefits of having husband-and-wife teams working for them.

Love at the top is a major disruptive factor of office life, especially because it can create envy and jealousy among the rest of the staff.

"One of the major concerns of corporations is romance involving a higher-status male with a lower-status female, which is still the reality," said Ron Harrison, a lecturer in business administration at Strathclyde Business School in Glasgow, who surveyed 76 British companies on the subject.

"Companies reported that when it happens, senior executives formally or informally increased the woman's power and gave her preferential promotion or salary rises."

"Because of the question of confidentiality, the higher you go in the corporation, the more complicated it becomes if people develop a relationship or get married," said Susan Murphy, who is in charge of human resources at Chubb Corp., the U.S. insurance company.

Meanwhile, couples who try to keep things under wraps can sometimes become almost paranoid. One American-British couple working for the same Swiss bank who had been having a long-term relationship first announced their engagement to their boss — and only then told their families and friends.

"The EC's individual member states now have about 600 bilateral agreements with other countries regulating air routes and the right of cabotage, or stopping off to take on more passengers or freight while en route to another destination."

The Commission recommended that from 1993, responsibility for the agreements be shifted to the European Community in charge of transport, Karel Van Miert.

"The Community's weight means it can obtain much better results in negotiations with third countries than is possible in the

state of present fragmentation," the Commission said in a statement.

It suggested a transition period until January 1993, during which member states would be able to continue with their bilateral agreements, but submit new agreements for the Commission's approval.

In a first step, the executive said it was asking the Council of Ministers, the EC's top decision-making body, for a mandate to negotiate an air agreement with the six members of the European Free Trade Association, which comprises Switzerland, Norway, Finland, Iceland, Austria and Sweden.

But Mr. Van Miert said at a press conference that the Commission also saw a priority in negotiating with the United States. He said U.S. airlines had 18 cabotage rights in the Community that directly compete with European companies — to stop, for instance, in London on a flight from

New York to Rome. But EC airlines have not such rights in the United States, except for limited routes from the mainland to Puerto Rico, he said.

The Commission would negotiate with third countries while remaining in close consultation with the member states through a special committee in Brussels, which would also decide how to share out any concessions or gains, Mr. Van Miert said. He stressed that the EC had no intention of being protectionist.

"We want to do it with an open mind," he said. "There is no question of a Fortress Europe."

The Commission's plan, which must be approved by ministers and be submitted for the opinion of the European Parliament before becoming law, marks the latest step in the executive's fight to change the fragmented and highly regulated EC air transport market.

On Dec. 5, ministers agreed in principle on a plan to scrap government-to-government agreements that guarantee national airlines a certain percentage of the traffic on a route. They also agreed that governments should not discriminate against airlines provided they met relevant safety standards.

Nor would governments have the right to refuse cheap air fares unless the tariffs were rejected by both authorities concerned in the approval procedure, the ministers agreed.

**Delors Notes UTA Terms**

The European Commission will, in principle, look favorably on state-owned Air France's purchase of rival Union de Transports Aériens and Air Inter as long as the French government does not shut out other airlines from the domestic market, according to EC Commission President Jacques Delors, Reuters reported from Paris.

The rate, charged on loans to financial institutions, was raised three times last year, after holding at a record low of 2.5 percent for more than two years.

Mr. Mieno also said that falls in Japanese stocks reflected speculation arising from political uncertainties at home and abroad.

"There has been no major change in the real Japanese economy," he said.

The governor also reiterated the central bank's determination to intervene in foreign exchange markets as the need arose. The yen has been declining since the end of the year.

Dealers said that the Japanese bank would again raise its rate if the dollar moved too high.

"Nothing will keep the BOJ from tightening credit if the dollar reaches 150 yen," said Shin Nagai, chief money market dealer at the Tokyo branch of Banque Nationale de Paris.

If the dollar does not surge, the market belief is that the bank will not raise the rate until after the Feb. 18 general election in Japan.

Some analysts said that the governor expected that the BOJ would raise its rate.

See BOJ, Page 12

## Pöhl Calls German Monetary Union Premature

Richard E. Smith

International Herald Tribune

FRANKFURT — Karl Otto Pöhl, the Bundesbank president, warned East Germany on Wednesday that monetary union with West Germany was premature and would spell the end of any independent East German monetary policy.

"If their government said tomorrow that they were introducing the Deutsche mark, then there would be no more East German monetary policy," he said in an interview with the weekly Die Zeit to be published Thursday, adding that "the

currency of East Germany would be managed in Frankfurt."

Certain politicians in both East and West Germany have been lobbying for monetary union as a shortcut to economic union and a stronger East German economy. Some hope that union would help brake the worrisome levels of East German emigration to West Germany.

But Mr. Pöhl said that it would be more realistic for East Germany to give the way to convertibility for its own currency by setting up a functioning price mechanism, competitive firms and a conventional monetary policy.

[Meanwhile, in East Berlin, Reuters reported that sources in the Communist government plan to make their currency fully convertible with the Deutsche mark by 1992, as well as removing price controls in a step-by-step process by that date.]

The interview was the second time in a week that the Bundesbank president has gone on record about the responsibilities of an independent central bank and has warned politicians against meddling.

On Dec. 5, ministers agreed in principle on a plan to scrap government-to-government agreements that guarantee national airlines a certain percentage of the traffic on a route. They also agreed that governments should not discriminate against airlines provided they met relevant safety standards.

Nor would governments have the right to refuse cheap air fares unless the tariffs were rejected by both authorities concerned in the approval procedure, the ministers agreed.

**Delors Notes UTA Terms**

The European Commission will, in principle, look favorably on state-owned Air France's purchase of rival Union de Transports Aériens and Air Inter as long as the French government does not shut out other airlines from the domestic market, according to EC Commission President Jacques Delors, Reuters reported from Paris.

The rate, charged on loans to financial institutions, was raised three times last year, after holding at a record low of 2.5 percent for more than two years.

Mr. Mieno also said that falls in Japanese stocks reflected speculation arising from political uncertainties at home and abroad.

"There has been no major change in the real Japanese economy," he said.

The governor also reiterated the central bank's determination to intervene in foreign exchange markets as the need arose. The yen has been declining since the end of the year.

Dealers said that the Japanese bank would again raise its rate if the dollar moved too high.

"Nothing will keep the BOJ from tightening credit if the dollar reaches 150 yen," said Shin Nagai, chief money market dealer at the Tokyo branch of Banque Nationale de Paris.

If the dollar does not surge, the market belief is that the bank will not raise the rate until after the Feb. 18 general election in Japan.

Some analysts said that the governor expected that the BOJ would raise its rate.

See BOJ, Page 12

## EC Proposes Expanded Role in Aviation Deals

Agence France-Press

BRUSSELS — The EC Commission, expanding its plan to change Europe's air transportation market, on Wednesday proposed that the European Community negotiate aviation accords with non-EC countries.

The EC's individual member states now have about 600 bilateral agreements with other countries regulating air routes and the right of cabotage, or stopping off to take on more passengers or freight while en route to another destination.

The Commission recommended that from 1993, responsibility for the agreements be shifted to the European Community in charge of transport, Karel Van Miert.

"The Community's weight means it can obtain much better results in negotiations with third countries than is possible in the

state of present fragmentation," the Commission said in a statement.

It suggested a transition period until January 1993, during which member states would be able to continue with their bilateral agreements, but submit new agreements for the Commission's approval.

In a first step, the executive said it was asking the Council of Ministers, the EC's top decision-making body, for a mandate to negotiate an air agreement with the six members of the European Free Trade Association, which comprises Switzerland, Norway, Finland, Iceland, Austria and Sweden.

But Mr. Van Miert said at a press conference that the Commission also saw a priority in negotiating with the United States. He said U.S. airlines had 18 cabotage rights in the Community that directly compete with European companies — to stop, for instance, in London on a flight from

New York to Rome. But EC airlines have not such rights in the United States, except for limited routes from the mainland to Puerto Rico, he said.

The Commission would negotiate with third countries while remaining in close consultation with the member states through a special committee in Brussels, which would also decide how to share out any concessions or gains, Mr. Van Miert said. He stressed that the EC had no intention of being protectionist.

"We want to do it with an open mind," he said. "There is no question of a Fortress Europe."

The Commission's plan, which must be approved by ministers and be submitted for the opinion of the European Parliament before becoming law, marks the latest step in the executive's fight to change the fragmented and highly regulated EC air transport market.

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See BOJ, Page 12

## IBM and Siemens Join to Develop New Generation of Chips

Compiled by Our Staff From Dispatches

NEW YORK — International Business Machines Corp. and Siemens AG, the German electronics giant, announced on Wednesday a ground-breaking agreement to jointly develop a new generation of computer memory chips.

Under the agreement, the two companies will work on developing a 64-million-bit dynamic random access memory chip, or DRAM.

By contrast, the largest-capacity chip now on the market holds 4 million bits of information. That chip was first introduced commercially by IBM last year. IBM and Siemens also have independent efforts

under way to develop 16-million-bit chips.

An IBM spokesman, Paul Bergvin, said the venture with Siemens would mark the first time the American company had jointly developed a computer chip.

Market analysts noted that IBM has in the past indicated its desire to work with European semiconductor makers to counter the growing competition from such Japanese chip giants as Fujitsu Ltd.

IBM and Siemens said in a statement that "the strengths of the two firms complement one another and increase the probability that world leadership in memory chip technology will be maintained."

Siemens's management board chairman, Karl-Heinz Kaske, said, "The cooperation with IBM promises a high degree of efficiency and underlines our efforts to enable ourselves to equip European industry in the long term."

IBM's efforts to join the European semiconductor program known by the acronym of JESS — in which Siemens participates with Philips NV and SGS-Thomson — have been blocked in the past by European corporate officials who note that their companies have not been allowed into the U.S. research consortium Sematech.

Under the IBM-Siemens agreement, development of the 64-million-bit chip will take place at IBM's semiconductor center at East Fishkill, New York. The development process will use the resources of IBM's facility at Essex Junction, Vermont, and Siemens's Munich facility, the companies said in a statement.

IBM and Siemens will share equally in the development costs, the statement said. Manufacturing would be done individually by Siemens and IBM, said the IBM spokesman, Mr. Bergvin.

IBM, the world's largest chip producer, uses all the chips it makes in its own products. It said it has no plans to sell the 64-million-bit chips on the open market.

A bit is the smallest unit of information used by a computer, and can be thought of as a switch either being on or off. Because of the way chips are constructed, advances in capacity usually take place in intervals of four times greater capacity than the generation before.

The goal of the joint venture is to have a world-standard 64-million-bit DRAM ready for commercial introduction in the mid-1990s.

The companies did not disclose what they expect to invest in the venture, Mr. Bergvin said.

He said the joint venture was proposed to "reduce the overall costs each firm would have had to bear individually." (A.P. Reuters)

## Philips to Join U.S. Bid For High-Definition TV

By John Burgess

Washington Post Service

WASHINGTON — Two rival research programs backed by giant European consumer-electronics firms are about to team up with NBC in a bid to develop a U.S. version of high-definition television, industry sources said.

NBC, a division of RCA Corp., and Thomson Consumer Electronics Inc., which have already been working together, will announce Thursday that they are joining forces with North American Philips Corp. on HDTV development.

By one account, they will disclose their plan for an interim HDTV system that will provide improved picture quality on new sets while still producing an ordinary-quality picture on today's models.

The timing of the new effort was not clear. Most analysts say HDTV is still several years away from introduction in the United States.

Under the plan, a second generation of equipment, to be introduced later, would offer the full HDTV capability with theater-quality sound and picture clarity. The full HDTV signal could not be viewed on today's sets.

North American Philips, a subsidiary of the Dutch giant Philips NV, and NBC-Thomson Consumer Electronics, the U.S. affiliate of France's Thomson group, have two of the best-funded HDTV programs in the United States. The firms have scheduled a press conference for Thursday.

The NBC-Thomson team said it would include news of a "significant new participant" in its HDTV research. Broadcasting magazine this week said the company was Philips.

Some members of Congress and industry leaders believe the United States needs desperately to get into the emerging HDTV business to head off a strong challenge by electronics firms in Japan and Europe. They argue that it would create jobs and technological momentum that would spill over into other areas of the U.S. economy.

After responding favorably to calls in 1986 for special aid to help set up an industry here, the government has backed off, saying private capital must handle the job.

In the meantime, key teams have developed. American Telephone & Telegraph Co. has joined with Zenith Electronics Corp. for a joint development effort. A number of U.S. companies have gone to Japan to discuss licensing technology to produce chips for Japanese HDTV.

On Tuesday, Toshiba Corp. said it would start mass-producing color picture tubes for HDTV television sets at its plant in western Japan in August. Regular HDTV broadcasting is scheduled to start in Japan by the end of this year.

U.S. Bankruptcy Law Can Offer Fresh Start

By Stephen Labaton

New York Times Service

NEW YORK — The Chapter 11 filing for bankruptcy protection last week by the American retailing operations of Campeau Corp. is already being cited as a classic case of the differences in how the legal systems in the United States and other countries handle business failure.

If Bloomingdale's, Abraham & Straus and Jordan Marsh had been declared bankrupt in most other countries, they would be quickly closed or immediately sold to satisfy their lenders.

But not in the United States, where the Federal Bankruptcy Code is part of a uniquely American tradition that fosters risk-taking among entrepreneurs through its fresh-start philosophy.

American law grants stores, if not years, to Federated Stores Inc., the recently renamed parent of the nine American retailing chains of Campeau Corp., to get its house in order.

Far removed from its European

and colonial American ancestry, where debtors prison was the ultimate destination of insolvent parties, the modern law is a vestige of the Great Depression of the 1930s and encourages rehabilitation and reorganization.

"If you look at our origins, you will see that many people who came to the United States came from the debtors' prisons of northern Europe," said Harvey R. Miller, a leading authority on American bankruptcy who has been involved in many of the largest Chapter 11 proceedings, including Federated.

Along with other industrialized nations, Japan has provisions for reorganization that resemble those in the U.S. Bankruptcy Code, a result of the American occupation after World War II. But Japanese business executives rarely invoke the provisions of those laws because bankruptcies still carry a heavy social stigma of absolute failure.

Canada, following Britain, gen-

See BANKRUPTCY, Page 14

## BOJ Says Rate Will Not Rise

### But Analysts See Near-Term Hike

Compiled by Our Staff From Dispatches

TOKYO — The governor of the Bank of Japan, Yasushi Mieno, said Wednesday that the central bank had no plans at this time to raise its official discount rate.

The denial was apparently aimed at bringing stability to the recently troubled Japanese financial markets, and especially to stem a sell-off on the stock exchange.

But analysts said they still believed the bank would be forced to lift its rate again soon.

"Prices have now stabilized," Mr. Mieno said at a news conference. "We have no plan at all to increase the rate."

He also dismissed the recent decline of Tokyo share prices as speculative selling.

The governor added that the Bank of Japan was still studying the impact of its most recent hike in the discount rate, from 3.75 percent to 4.25 percent, on Dec. 25.

The rate, charged on loans to financial institutions, was raised three times last year, after holding at a record low of 2.5 percent for more than two years.

Mr. Mieno also said that falls in Japanese stocks reflected speculation arising from political uncertainties at home and abroad.

"There has been no major change in the real Japanese economy," he said.

The governor also reiterated the central bank's determination to intervene in foreign exchange markets as the need arose. The yen has been declining since the end of the year.

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See BOJ, Page 12

## CURRENCY RATES

Cross Rates	Jan. 24
American dollar	1.0000
British pound	1.6315
French franc	6.5596
German mark	1.9364
Italian lira	2.0361
Japanese yen	163.26
Netherlands guilder	2.2037
Portuguese escudo	200.48
Spanish peseta	166.64
Swiss franc	1.4803
West German mark	1.9364
Yen	163.26

Charges in London and Zurich, flaps in other centers. New York closing rates. At Commercial France by Telex one point; C: To buy one dollar; \*\* Units of 100; N.A.: not quoted; N.A.: not available.

## Other Dollar Values

Currency	Per \$
Australian dollar	1.5207
Canadian dollar	1.3112
French franc	6.5596
German mark	1.9364
Italian lira	2.0361
Japanese yen	163.26
Netherlands guilder	2.2037
Portuguese escudo	200.48
Spanish peseta	166.64
Swiss franc	1.4803
West German mark	1.9364
Yen	163.26

New York rates unless marked \* (local rates).

## Forward Rates

Currency	30-day	60-day	90-day
British pound	1.6315	1.6315	1.6315
French franc	6.5596	6.5596	6.5596
German mark	1.9364	1.9364	1.9364

Sources: Reuters, Deutsche Bank, Citicorp, and other data from Reuters and A.P.

## INTEREST RATES

### Eurocurrency Deposits

Currency	1-month	3-month	6-month	1-year
Dollar	7 1/4%	7 1/4%	7 1/4%	7 1/4%
Mark	7 1/4%	7 1/4%	7 1/4%	7 1/4%
Yen	7 1/4%	7 1/4%	7 1/4%	7 1/4%

Sources: All Reuters except BCU: London Bank. Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

### Key Money Rates

Currency	1-month	3-month	6-month	1-year
Dollar	7 1/4%	7 1/4%	7 1/4%	7 1/4%
Mark	7 1/4%	7 1/4%	7 1/4%	7 1/4%
Yen	7 1/4%	7 1/4%	7 1/4%	7 1/4%

### Asian Dollar Deposits

Currency	1-month	3-month	6-month	1-year
Dollar	7 1/4%	7 1/4%	7 1/4%	7 1/4%
Mark	7 1/4%	7 1/4%	7 1/4%	7 1/4%
Yen	7 1/4%	7 1/4%	7 1/4%	7 1/4%

### U.S. Money Market Funds

3-month interest rate	15 1/4	15 1/4	Paris (12.5 kilos)	414.25	413.00	+1 1/2
6-month interest rate	15 1/4	15 1/4	Zurich	414.00	409.25	+4 1/2
1-year interest rate	15 1/4	15 1/4	London	413.25	409.15	+4 1/2
1-month interest rate	10 3/4	10 3/4	New York	—	477.50	+1 1/2
3-month interest rate	11 1/4	10 3/4				
6-month interest rate	11 1/4	11 1/4				
1-year interest rate	11 1/4	11 1/4				
1-month interest rate	11 1/4	11 1/4				
3-month interest rate	11 1/4	11 1/4				
6-month interest rate	11 1/4	11 1/4				
1-year interest rate	11 1/4	11 1/4				

Source: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Source: Reuters.







## In Joint Venture With Ford, Mazda Gets Toehold in Europe

Nihon Keizai Shimbun, a Tokyo economic newspaper, said the American and Japanese automakers had chose West Germany because it is the best place to obtain access to the East bloc, which is seen as a big potential market after the recent political changes there.

**U.K. Ford Strike Averted**  
Union officials said Wednesday that partial returns showed a majority of Ford workers in Britain

The officials said 59 percent of those voting went against their union leaders' recommendation and accepted a 10.2 percent raise in the first year, followed by a second-year raise of a minimum 8 percent, or a choice of 2.5 percent above inflation.

The final tally of the vote, which took place Tuesday and Wednesday, was not yet available, union officials said.

Most of Ford's 32,000 workers at its 22 British plants earn an average

## Investor's Europe

**Frankfurt**  
Commerzbank

**London**  
F.T. 100 Index

**Paris**  
C.A.C. 40

Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	CBS General	110.50	113.50	-2.64
Brussels	Stock Index	6215.03	6355.81	-2.21
Frankfurt	Commerzbank	2151.50	2197.10	-2.08
Frankfurt	DAX	1756.41	1801.52	-2.50
Helsinki	UNITAS	648.00	677.30	-4.62
London	Financial Times 30	1828.60	1839.60	-0.60
London	FT-SE 100	2278.60	2291.10	-0.55
Madrid	General Index	278.63	282.60	-1.33
Milan	MIB	1003	1019	-1.57
Paris	CAC 40	1881.73	1881.73	0.00
Stockholm	Affarsvaerden	1188.70	1206.90	-1.51
Zurich	SBS	634.80	648.00	-2.04

Sources: Datastream, AFP

International Herald Tribune

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\*Results reflect a provision for loan losses of \$20 million for developing countries (last December, \$20 million).

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**For more information,  
contact Jim Risedorff in San Francisco at:  
(415) 421-9700**







## Bad Quarter for U.S. Big 3

**DETROIT** — Slumping sales and tough competition in the U.S. auto market have taken their toll on domestic automakers' fourth-quarter earnings, according to analysts.

They said that in particular, Chrysler Corp., which is expected to report its first loss since 1982, underscores the dreary state of the U.S. auto industry in 1989.

General Motors Corp. and Ford Motor Co. were similarly affected, and are seen reporting lower fourth-quarter profits, analysts said.

Analysts said Chrysler may have lost as much as \$280 million, or about \$1.20 a share, in the final three months of 1989, due mainly to more than \$300 million of write-offs associated with staff reductions and a plant closing.

"Chrysler will be several hundred million dollars in the red after the write-offs," said David Healy, an auto analyst.

The company is expected to report fourth-quarter earnings on Feb. 13, while Ford and GM will report later that week.

The last time Chrysler posted a loss was in the fourth quarter of 1982, when it reported a deficit of about \$96 million.

Chrysler's difficulties have prompted some comparisons with its situation in the early 1980s, when it was struggling back from near-bankruptcy and the entire U.S. auto industry was mired in recession.

Analysts said Chrysler is stronger now, but the auto market it faced in 1989 was one of the most treacherous in years.

Annual sales in December fell as low as 5.5 million cars, levels analysts considered recessionary.

The Big Three U.S. automakers responded by drastically cutting production and temporarily closing 42 of 62 assembly plants in the United States and Canada in January alone.

U.S. car sales bounced back in the most recent period, but analysts remain cautious about the industry's 1990 prospects, given the continued high levels of unsold cars in dealer inventories.

The production cuts as well as costly incentive programs will likely impact GM and Ford profits.

A Shearson Lehman Hutton analyst, Joseph Philippi, said he expects GM's fourth-quarter profit to drop to \$1.19 a share, from \$2.12 a share in the corresponding period last year. Similarly, Ford's fourth-quarter earnings may slip to around \$1.56 a share, from \$2.41 in the year-ago quarter, he said.

Chrysler's anticipated write-offs are strictly accounting measures and on an operating basis it likely broke even or earned up to nine cents a share in the fourth quarter, analysts said. But this is small compared to the \$1.85 a share net Chrysler earned in 1988's fourth quarter. Chrysler does not provide figures on an operating basis.

Despite the expected losses, analysts said the write-offs are as well-timed as they could be, given the dismal state of the auto business. "Nineteen eighty-nine turned out to be a very difficult year," said Mr. Philippi. "You might as well take as many charges as you can."

Lumping the various large write-offs together is an additional plus because it will leave the carmaker with a relatively clean balance sheet heading into 1990.

"They're going to throw everything into that quarter except the kitchen sink," said Scott Meris, an analyst at Morgan Stanley.

Nevertheless, the sales drought has hit Chrysler particularly hard. Unlike its Big Three rivals, the carmaker lacked profitable overseas subsidiaries to prop up money-losing domestic operations.

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## Profitability: Honest Men May Differ

By Louis Uchitelle  
New York Times Service

**NEW YORK** — U.S. corporate profits are in decline. Company after company is reporting sinking net income and the trend seems certain to continue, given the weak economy. But there are several ways to measure profitability and some show American business to be in not such bad shape.

Profitability is a tricky, subjective concept. Two economists, or two executives, can draw different conclusions from the same mass of numbers.

Examine income alone and the total is clearly running below last year's level by more than 10 percent, a decline spotlighted by the companies themselves in quarterly earnings reports.

But if income is considered the return on the money invested in factories, offices and equipment, the picture brightens. Although the 1989 return is not yet calculated, it was probably close to the level of the two previous years for manufacturing and service companies, says John Musgrave, a Commerce Department economist.

That resilient showing reflects the efficiencies that many companies have achieved in the 1980s, through factory closings, workforce reductions, automation and overseas investments.

"We have definitely lowered our break-even point," said Richard W. Kopcke, an economist at the Federal Reserve Bank of Boston, who studies profitability.

The Federal Reserve and Commerce, in assessing profitability, often include in income an item that business executives think

of as an onerous cost: the interest payments on ballooning corporate debt.

For Mr. Kopcke and most business executives, a loan to a company provides capital to buy a machine, just as selling stock does. The disagreement is how to classify the interest payments. Mr. Kopcke and some other economists count the payments, like dividends, should be counted as payouts from profits.

Viewed this way, profits have not declined since last year, although they have not risen either.

Before taxes and including interest payments, income for U.S. nonfinancial companies remained at about \$375 billion through the third quarter.

This steady flow of wealth helps to explain why the U.S. economic expansion has lasted for more than seven years.

Nevertheless, labeling interest payments as profits obscures the conflict in the American system between shareholders, who own a company, and creditors, who are outsiders.

It does not, for example, end the nightmare at heavily indebted Campeau Corp. Nor does it help the nation's stockholders who blame interest payments for the sharp decline in profits, endangering stock values.

With the economy weak and consumers holding back, companies have had difficulty raising prices. That means that rising costs can squeeze profits and this has happened, but mostly because of interest payments.

Other costs have hardly budged as a percentage of revenue.

Out of every dollar of revenue in the third quarter last year, interest payments consumed 5.2 cents, compared with 4.6 cents in

1988 and 3.6 cents in 1983, at the start of the economic expansion, Commerce says.

Labor costs, by comparison, took 66.6 cents from the sales dollar in the third quarter, only slightly above the 1983 proportion of 66.2 cents.

Corporate income taxes, sales taxes and the depreciation of buildings and equipment all take about the same today from each dollar as they did in 1983.

Profits, on the other hand, fell in the third quarter to 4.5 cents, from 5.2 cents in 1988 and 5.6 cents in 1983. (The high point was 6.9 cents in 1984.)

Aside from whether interest payments are profits or costs, another issue is how to value a company's capital investment in buildings and equipment.

Mr. Kopcke and Mr. Musgrave, among others, favor valuing assets at current replacement cost; that is, the cost today of replacing, say, a three-year-old truck. While that might be \$50,000, most companies carry the truck on their books at its original cost, say \$25,000. The result is that a trucking company with 10 such vehicles and \$25,000 in annual net income would report a 10 percent return on investment, while Mr. Kopcke would call it 5 percent.

"The good news is that the rate of return has held up close to 8 percent despite the weakening economy," Mr. Kopcke said.

The bad news is that after energetic cost-cutting and modernization during seven years of economic expansion, American business got its rate of return back only to the early 1970s level — and now might once again lose ground.

## Japanese Buy 120 U.S. Restaurants

The Associated Press

**NEW YORK** — A Japanese food-service company has purchased 120 U.S. restaurants, including popular culinary institutions such as Manhattan's Mamma Leone's and chains in California and New Jersey.

Restaurant Associates, which employs 7,000 people and generates about \$240 million in annual revenue, was sold Tuesday to Kyotaru Co. for an undisclosed price.

Max Pine, president of the nearly 50-year-old operating and consulting group, said the sale represents the first major investment in the American restaurant industry by a Japanese company.

"We needed money to grow; they need market," Mr. Pine said.

Restaurant Associates' six divisions include R.A. Theme Restaurants, which owns such New York restaurants as the Sea Grill and American Festival Cafe in Rockefeller Center, and Mamma Leone's.

It also owns Acapulco Restaurants, one of the largest Mexican chains in California, and Charlie Brown's Restaurants, which operate mainly in New Jersey.

Kyotaru owns 800 restaurants in Japan and a few in the United States. It grosses \$300 million a year.

## Contractors In U.S. Team For Plane

By Sandra Sugawara and Kathy Sawyer  
Washington Post Service

**WASHINGTON** — Four major U.S. defense contractors who are normally fierce competitors have announced that they will jointly develop the experimental National Aerospace Plane.

The plane is meant to take off from a runway, fly directly to orbit at hypersonic speeds of as much as 17,000 miles per hour (27,500 kilometers per hour) and then land again. It is to be a joint project of General Dynamics Corp., McDonnell Douglas Corp., United Technologies Corp.'s Pratt & Whitney Group and two divisions of Rockwell International Corp.

The program has been plagued with technical and money problems since its inception during the Reagan administration. It was expected to come under increasing scrutiny by a budget-conscious Congress, which appropriated \$254 million for the project this year.

By adopting the Japanese approach — allowing companies to pool resources and talent to develop new technologies rather than forcing them to compete — the companies and the government hope to cut costs and increase the likelihood that the effort will be a technological success, according to Barry Waldman, a Rockwell vice president who was named program director for the plane.

An administration official said Tuesday that "this is a new approach" and "we believe it's got real potential."

The origin of the cooperative effort remains unclear. An administration official said that it was generated by the companies, but industry officials said the impetus came from the administration.

Nymex, the world's largest energy exchange, trades crude oil, heat-

ing oil, unleaded gasoline, residual fuel oil, propane, platinum and palladium futures, in addition to options. Comex, the world's most active metals market, trades gold, silver and copper futures and options.

On Jan. 10, the Nymex chairman, Lou Gutman, requested that the Nymex board make a formal proposal to the Comex regarding merger talks, according to the board member. A proposal was presented to Comex on Jan. 11 with a request for a response within three weeks.

On Wednesday, the boards endorsed the proposed joint governing board and further negotiations toward consolidating more efficiently the administration and operations of the exchanges, a press release said.

Terms of the consolidation, including the extent to which either exchange's liquid capital reserves would be made available to the merged entity, remained to be determined, the statement said.

Any agreement reached by the executive committees and boards is subject to membership approval and regulatory review, it added.

## Merc and Comex Authorize Expanded Talks on Merger

Reuters

**NEW YORK** — The New York Mercantile Exchange and the Commodity Exchange Inc. said Wednesday that their governing boards had authorized negotiations for a consolidation of the two futures exchanges.

The exchanges have been holding informal discussions on a merger for several months, according to one board member. The last round of formal discussions between the New York exchanges broke down in June 1988.

Talks on a merger have been held irregularly for the last 10 years.

The executive committees of both exchanges have agreed on a proposal calling for the formation of a joint governing board comprising a chairman who is a Nymex member, a vice chairman who is a Comex member, 16 Nymex member directors, eight Comex member directors and six public directors.

"The proposed reorganization must recognize the reality of our respective balance sheets and trading volumes," a Nymex board member said.

Nymex, the world's largest energy exchange, trades crude oil, heat-

ing oil, unleaded gasoline, residual fuel oil, propane, platinum and palladium futures, in addition to options. Comex, the world's most active metals market, trades gold, silver and copper futures and options.

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Any agreement reached by the executive committees and boards is subject to membership approval and regulatory review, it added.

## COMPANY RESULTS

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

**United States**

**American Express**  
4th Quarter: 1989 1988  
Revenue: \$2,520 \$2,510  
Net Inc.: \$270 \$210  
Per Share: 1.25 1.00  
Year: 1989 1988  
Revenue: \$10,000 \$9,500  
Net Inc.: \$1,000 \$800  
Per Share: 4.00 3.20

**Bankers Trust N.Y.**  
4th Quarter: 1989 1988  
Revenue: \$1,200 \$1,150  
Net Inc.: \$120 \$110  
Per Share: 1.20 1.10  
Year: 1989 1988  
Revenue: \$4,800 \$4,600  
Net Inc.: \$480 \$460  
Per Share: 4.80 4.60

**Baxter Int'l**  
4th Quarter: 1989 1988  
Revenue: \$1,000 \$950  
Net Inc.: \$100 \$90  
Per Share: 1.00 0.90  
Year: 1989 1988  
Revenue: \$3,800 \$3,600  
Net Inc.: \$380 \$360  
Per Share: 3.80 3.60

**Bell Atlantic**  
4th Quarter: 1989 1988  
Revenue: \$2,200 \$2,100  
Net Inc.: \$220 \$210  
Per Share: 2.20 2.10  
Year: 1989 1988  
Revenue: \$8,800 \$8,400  
Net Inc.: \$880 \$840  
Per Share: 8.80 8.40

**Bristol-Myers Squibb**  
4th Quarter: 1989 1988  
Revenue: \$1,500 \$1,450  
Net Inc.: \$150 \$140  
Per Share: 1.50 1.40  
Year: 1989 1988  
Revenue: \$5,800 \$5,600  
Net Inc.: \$580 \$560  
Per Share: 5.80 5.60

**Cost Savings**  
4th Quarter: 1989 1988  
Revenue: \$1,200 \$1,150  
Net Inc.: \$120 \$110  
Per Share: 1.20 1.10  
Year: 1989 1988  
Revenue: \$4,800 \$4,600  
Net Inc.: \$480 \$460  
Per Share: 4.80 4.60

**Detrol Edison**  
4th Quarter: 1989 1988  
Revenue: \$700 \$650  
Net Inc.: \$70 \$65  
Per Share: 0.70 0.65  
Year: 1989 1988  
Revenue: \$2,800 \$2,600  
Net Inc.: \$280 \$260  
Per Share: 2.80 2.60

**General Electric**  
4th Quarter: 1989 1988  
Revenue: \$1,800 \$1,700  
Net Inc.: \$180 \$170  
Per Share: 1.80 1.70  
Year: 1989 1988  
Revenue: \$7,200 \$6,800  
Net Inc.: \$720 \$680  
Per Share: 7.20 6.80

**Golden West Fin'l**  
4th Quarter: 1989 1988  
Revenue: \$1,000 \$950  
Net Inc.: \$100 \$90  
Per Share: 1.00 0.90  
Year: 1989 1988  
Revenue: \$3,800 \$3,600  
Net Inc.: \$380 \$360  
Per Share: 3.80 3.60

**Harris**  
4th Quarter: 1989 1988  
Revenue: \$1,200 \$1,150  
Net Inc.: \$120 \$110  
Per Share: 1.20 1.10  
Year: 1989 1988  
Revenue: \$4,800 \$4,600  
Net Inc.: \$480 \$460  
Per Share: 4.80 4.60

**Ingersoll-Rand**  
4th Quarter: 1989 1988  
Revenue: \$1,000 \$950  
Net Inc.: \$100 \$90  
Per Share: 1.00 0.90  
Year: 1989 1988  
Revenue: \$3,800 \$3,600  
Net Inc.: \$380 \$360  
Per Share: 3.80 3.60

**Louisiana Pacific**  
4th Quarter: 1989 1988  
Revenue: \$1,200 \$1,150  
Net Inc.: \$120 \$110  
Per Share: 1.20 1.10  
Year: 1989 1988  
Revenue: \$4,800 \$4,600  
Net Inc.: \$480 \$460  
Per Share: 4.80 4.60

**Martin Marietta**  
4th Quarter: 1989 1988  
Revenue: \$1,000 \$950  
Net Inc.: \$100 \$90  
Per Share: 1.00 0.90  
Year: 1989 1988  
Revenue: \$3,800 \$3,600  
Net Inc.: \$380 \$360  
Per Share: 3.80 3.60

**Mobil**  
4th Quarter: 1989 1988  
Revenue: \$1,200 \$1,150  
Net Inc.: \$120 \$110  
Per Share: 1.20 1.10  
Year: 1989 1988  
Revenue: \$4,800 \$4,600  
Net Inc.: \$480 \$460  
Per Share: 4.80 4.60

**Perkin-Elmer**  
4th Quarter: 1989 1988  
Revenue: \$1,000 \$950  
Net Inc.: \$100 \$90  
Per Share: 1.00 0.90  
Year: 1989 1988  
Revenue: \$3,800 \$3,600  
Net Inc.: \$380 \$360  
Per Share: 3.80 3.60

**Rockwell International**  
4th Quarter: 1989 1988  
Revenue: \$1,200 \$1,150  
Net Inc.: \$120 \$110  
Per Share: 1.20 1.10  
Year: 1989 1988  
Revenue: \$4,800 \$4,600  
Net Inc.: \$480 \$460  
Per Share: 4.80 4.60

**United Technologies**  
4th Quarter: 1989 1988  
Revenue: \$1,000 \$950  
Net Inc.: \$100 \$90  
Per Share: 1.00 0.90  
Year: 1989 1988  
Revenue: \$3,800 \$3,600  
Net Inc.: \$380 \$360  
Per Share: 3.80 3.60

**Western Union**  
4th Quarter: 1989 1988  
Revenue: \$1,200 \$1,150  
Net Inc.: \$120 \$110  
Per Share: 1.20 1.10  
Year: 1989 1988  
Revenue: \$4,800 \$4,600  
Net Inc.: \$480 \$460  
Per Share: 4.80 4.60

**Worldwide Fund for Children**  
4th Quarter: 1989 1988  
Revenue: \$1,000 \$950  
Net Inc.: \$100 \$90  
Per Share: 1.00 0.90  
Year: 1989 1988  
Revenue: \$3,800 \$3,600  
Net Inc.: \$380 \$360  
Per Share: 3.80 3.60

**Yale University**  
4th Quarter: 1989 1988  
Revenue: \$1,200 \$1,150  
Net Inc.: \$120 \$110  
Per Share: 1.20 1.10  
Year: 1989 1988  
Revenue: \$4,800 \$4,600  
Net Inc.: \$480 \$460  
Per Share: 4.80 4.60

**Zenith Data Systems**  
4th Quarter: 1989 1988  
Revenue: \$1,000 \$950  
Net Inc.: \$100 \$90  
Per Share: 1.00 0.90  
Year: 1989 1988  
Revenue: \$3,800 \$3,600  
Net Inc.: \$380 \$360  
Per Share: 3.80 3.60

**3M Company**  
4th Quarter: 1989 1988  
Revenue: \$1,200 \$1,150  
Net Inc.: \$120 \$110  
Per Share: 1.20 1.10  
Year: 1989 1988  
Revenue: \$4,800 \$4,600  
Net Inc.: \$480 \$460  
Per Share: 4.80 4.60

**Academy Sports & Outdoors**  
4th Quarter: 1989 1988  
Revenue: \$1,000 \$950  
Net Inc.: \$100 \$90  
Per Share: 1.00 0.90  
Year: 1989 1988  
Revenue: \$3,800 \$3,600  
Net Inc.: \$380 \$360  
Per Share: 3.80 3.60

**Adco Paper**  
4th Quarter: 1989 1988  
Revenue: \$1,200 \$1,150  
Net Inc.: \$120 \$110  
Per Share: 1.20 1.10  
Year: 1989 1988  
Revenue: \$4,800 \$4,600  
Net Inc.: \$480 \$460  
Per Share: 4.80 4.60

**Advanced Technology Laboratories**  
4th Quarter: 1989 1988  
Revenue: \$1,000 \$950  
Net Inc.: \$100 \$90  
Per Share: 1.00 0.90  
Year: 1989 1988  
Revenue: \$3,800 \$3,600  
Net Inc.: \$380 \$360  
Per Share: 3.80 3.60

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4th Quarter: 1989 1988  
Revenue: \$1,200 \$1,150  
Net Inc.: \$120 \$110  
Per Share: 1.20 1.10  
Year: 1989 1988  
Revenue: \$4,800 \$4,600  
Net Inc.: \$480 \$460  
Per Share: 4.80 4.60

**Advanced Technology Laboratories**  
4th Quarter: 1989 1988  
Revenue: \$1,000 \$950  
Net Inc.: \$100 \$90  
Per Share: 1.00 0.90  
Year: 1989 1988  
Revenue: \$3,800 \$3,600  
Net Inc.: \$380 \$360  
Per Share: 3.80 3



## BANKRUPTCY: In U.S., Fresh Start Is Possible

(Continued from first finance page) really gives banks and other creditors the ultimate say over whether a business can reorganize or must be liquidated. If the company does reorganize, it is usually under the guidance of an accounting company that acts as a receiver or trustee.

In the United States, in contrast, the management of a company in Chapter 11 is not automatically removed. The company, without prompting from its creditors, can move for protection even though it is still solvent.

Although foreigners might wonder how anyone could be sanguine about the news that Federated became the largest retailing bankruptcy in American history, American lawyers were hardly surprised that suppliers and lenders of Federated applauded the Chapter 11 filing.

Nor, to Americans at least, was it unusual that some banks rushed to lend more money to the insolvent chains, even though the stores owe banks billions of dollars.

Unlike almost every other system in the world, the American rules give special protection to banks that lend money after bank-

ruptcy petitions have been filed. That encourages still more borrowing to get a beleaguered, over-indebted enterprise back on its feet.

"The bankruptcy laws just don't have the adverse impact on credit as one might suppose," said Frank R. Kennedy, emeritus professor of law at the University of Michigan and a scholar in bankruptcy law. "Companies like Campeau would be far less likely to get credit abroad."

Although the American system is more protective of its businesses and more generous to its banks, it has been easier in recent years to obtain credit in the United States than abroad.

In most foreign jurisdictions, secured creditors essentially have veto powers over anything that is done by the debtor. Not so under American bankruptcy laws.

"In the United States, the benefit of the doubt goes to the debtor," Mr. Miller said.

America has the only legal system that in a sense actually encourages a company to seek bankruptcy protection long before a full-blown financial collapse is near.

"If you look at most bankruptcy codes around the world, they contain a strong element of the view that anyone who borrows money and doesn't pay it back must be bad," said Henry Sweetbaum, a turnaround specialist who is chief executive of Wickes PLC in London, which had its American companies in bankruptcy from 1982 to 1985.

"There's just a different environment," he said. "Here, for instance, there remains a view that it's still a very bad thing. They don't put you in debtors' prison anymore, but if they could, they would."

Historically, banks in Europe have had a tradition of holding equity positions in the companies to which they lend, so that it would be a policy matter make sense to have them seize control of a failing enterprise.

Some countries have bankruptcy rules that reflect a particular political agenda. The socialist government of France, for instance, revised the bankruptcy law within the last four years to enable the authorities to seize an insolvent company in the name of preserving jobs.

## East Germany Expected to Cut A Tax on Firms

Reuters

BONN — East Germany is likely to cut its punitive taxes on private companies by April, West German's economics minister, Helmut Haussmann, said Wednesday.

Speaking to journalists after his return from talks in East Berlin on Tuesday, Mr. Haussmann said he had been told that a law changing the tax system to encourage investment by foreign companies should be approved by that date.

"Taxes on independent companies are confiscatory — up to 90 percent," he said.

East Germany on Tuesday accepted Bonn's offer of up to 6 billion Deutsche marks (\$3.52 billion) in low interest credit to modernize its economy.

## POHL: Caution on German Union

(Continued from first finance page)

East Germany and that a freely elected government then could carry out really far-reaching reforms," he said.

Mr. Pohl noted in particular that the Bundesbank was not prepared to guarantee the value of the East German mark at any specific exchange rate. In addition to the problem that there are currently several rates, he said that this would be "an invitation to East Germany to print money."

The Bundesbank president said that his bank would be willing to do all it could to aid East Germany in its adjustment process and noted that he would be visiting "his colleagues" in East Germany Feb. 6.

Mr. Pohl's comments followed similar warnings by the Bundesbank's vice president, Helmut Schlesinger, who said earlier in the week that monetary union would not cure the fundamental problems of the East German economy.

He said that weaknesses such as low productivity and lack of industrial competition would not be corrected simply by adopting a new currency.

Both Mr. Pohl and Mr. Schles-

inger noted that the road toward convertibility is a difficult one and will have to be approached in stages.

Regarding plans for monetary union of the EC, Mr. Pohl said that ideally all 12 member states would approve a legislative framework for full union, but that only those countries with a certain degree of price stability would immediately enter the union. The others would be able to enter at a later date.

Asked about the likelihood that a European central bank would be located in Frankfurt, the Bundesbank president said that he found the idea good, but questioned whether it was realistic since it would give one large financial center too great a competitive advantage.

"I think it would be appropriate to have the headquarters of such a European central bank in a country which can demonstrate successful economic and stability-oriented policies but is small enough that it would not be too serious a competitor for the large countries," he said.

He declined to be more specific, even when asked whether he was indicating the Netherlands.

## EC Official Warns That GATT Talks Could Fail

Reuters

PARIS — A senior EC Commission official said Wednesday that the possibility could not be ruled out that the Uruguay Round of trade talks would end in failure.

"We cannot by any means rule out the possibility of a failure," Guy Legras, the EC's director general of agricultural cooperatives, said.

The European Community wants a successful end to the negotiations, but is unwilling to scrap programs that prop up commodity prices, he said.

Mr. Legras is a senior EC negotiator to the four-year round of talks held under the auspices of the General Agreement on Tariffs and Trade. The round is scheduled to conclude in Brussels in December.

He accused the United States of trying to shield one of its main agricultural subsidy programs from cuts in the talks and said the principal U.S. objective was to increase its share of global farm trade.

The U.S. goal, he said, was to "find new openings for American agriculture on the world market" and "if possible, to eliminate competition on the world market."

Mr. Legras said that Washington's farm trade reform proposal had emphasized cutting trade barriers and export subsidies, partly to protect its deficiency payments, which it considers to be an internal support mechanism.

Farmers enrolled in major U.S. crop programs receive payments equal to the difference between a fixed target price and either a fixed loan rate or the market price, whichever is higher.

Washington has said deficiency payments are negotiable, but since they are internal supports, they could be subject to less severe cuts under the U.S. proposal than export subsidies or trade barriers.

Mr. Legras said that in the last two or three weeks, U.S. officials had hardened their position in favor of eventual elimination of export subsidies.

## NASDAQ

Wednesday's Prices  
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

High Low Stock Div Yld PE High Low PA Chg

10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200

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## SPORTS

## Missouri Survives No. 1 Onus

The Associated Press  
No wonder no one wants to be No. 1 lately. Too much trouble usually follows.

Missouri, playing its first game since rising to the top of The Associated Press college basketball poll, almost tumbled Tuesday night to Rutgers before winning, 89-84.

Rutgers (8-10) had a chance to tie in the final seconds, but Keith Hughes missed a three-pointer.

## COLLEGE BASKETBALL

Travis Ford's two foul shots then ensured Missouri (18-1) its 27th straight victory at home.

Missouri, down by 10 points early, caught up with the Scarlet Knights but never shook them. John McIntyre made a three-point shot with 1:42 left for an 85-79 lead, but Earl Duncan responded with a three-pointer for Rutgers.

After each team had scored again, Rutgers rebounded a missed shot with 24 seconds left. The Scarlet Knights worked the ball to Hughes, who already had 27 points, but his three-point try was far off.

McIntyre hit 10 of 15 shots, including 5 of 8 from three-point range, and scored 25 points.

No. 11 Syracuse 83, Pitt 74: In Syracuse, New York, Syracuse shook up its lineup and stopped a two-game losing streak.

Billy Owens scored 23 points, Derrick Coleman 21 and Stephen Thompson 20 for Syracuse (13-3). Coleman also became the Big East Conference's career rebounding leader in league games. He grabbed 10 to increase his conference total to 606, nine more than Georgetown's Patrick Ewing.

The Syracuse coach, Jim Boeheim, tried to halt a recent shooting slump with a different lineup. Michael Edwards, the freshman point guard, and Richard Manning came off the bench to start, and reserve Tony Scott played well in his longest stint of the season.

Tennessee 78, No. 24 Alabama 70: Greg Bell scored 21 points and Allan Houston had 18 in Knoxville, Tennessee. The Volunteers (10-6) made seven of their first eight shots and tipped in their only miss for a 15-2 edge. Alabama (13-5) got no closer than three points the rest of the way.

## Elway Stays Loose in Super Bowl's Pregame Game

By Ken Denlinger

Washington Post Service

NEW ORLEANS — Here he was again at the Super Bowl. More relaxed and more open, this time literally keeping a chair warm for the more famous quarterback who would follow in an hour, serious but also joking about the doomed-before-kickoff Broncos.

"We're having fun down here because we have no chance to win," John Elway said. Elway might be the only player for whom Super Bowl week is less hectic than parts of the regular season. And before getting too far along, here is a bulletin about the fellow whose Halloween treats and tipping habits were examined some months back: He took advantage of no curfew and lingered near Bourbon Street until about 4 A.M. Monday.

For this third try in four years for football's grand prize, Elway's pregame game is about the only one left. Slightly hoarse on Tuesday, he stiff-armed the prevailing no-chance attitude about the Broncos against the 49ers by bringing it up, time and again saying the Broncos had nothing to lose because they couldn't possibly win.

"I want all the pressure on the 49ers," he added.

At his other two Super Bowls, Elway was the glamour guy who got upstaged by quarterbacks with once-in-a-career performances.

When the New York Giants' Phil Simms completed 22 of 25 passes against the Broncos in 1987's Super Bowl XXI, it was assumed no passer would ever be so laser-focused again. That was true, until the next Super Bowl, when the Washington Redskins' Doug Williams threw four touchdown passes in the second quarter.

"The one against the Redskins felt like such a waste," Elway said, "because we'd worked so hard — and then gave it up in about 10 minutes." (Actually, that five-touchdown explosion took 5:47.) Elway does not like a trend he mentioned: Denver was ahead of the Giants, 10-9, before being blown away in the third quarter. It was ahead of the Redskins, 10-0, before being hammered in the second quarter. Might the Fabulous 49ers be at rout speed Sunday in the first quarter?

However bothersome recent history may be, Elway was taking it gracefully and patiently. "No sense getting upset by the questions," he said. "I get frustrated that we haven't taken advantage of the chances we had."

One 49er, future Hall of Fame defensive back Ronnie Lott, was

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staggered by Elway's ability years ago. Lott was then at the University of Southern California with future Broncos safety Dennis Smith, and they were defending against Stanford University's Elway.

"They were on about the 50," Lott recalled, "and he scrambled back to about the 40. Everybody on our defensive line was chasing him. I'm standing on our 10, figuring no way can he throw the ball into the end zone before I can get to it."

"Dennis yells for me to get back. I say, 'I'll get there.' I didn't get there. It was like a rocket or something. Fact is, the ball came so hard it knocked [receiver Ken Margum] to the ground before I could. I saw his arm before lots of guys in this league did."

"I was a sophomore and he was a senior," Elway said. "I think that was the only one we got on 'em all day."

From where did he launch the ball?

"Don't remember." A decade later, someone said, it can be any yard-line you want. "In that case," Elway said, smiling, "I threw it from our 22."

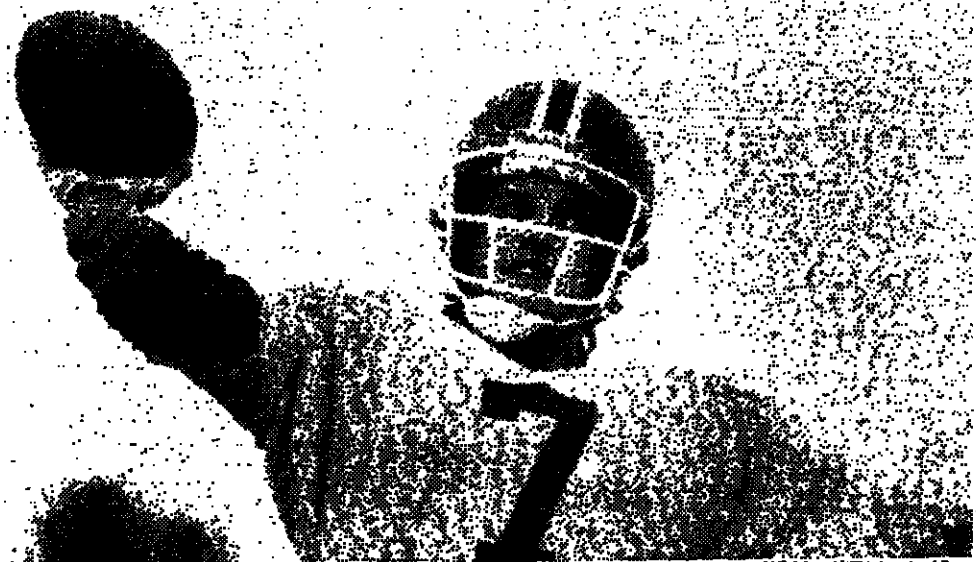
It was that way for the entire news conference. Elway was calm and frequently kicked back on a chair rather occupied by a less comfortable Joe Montana.

"The frustrating part about this season," Elway said, "was how long it took for the passing game to come around."

"The emphasis on running [with rookie Bobby Humphrey] was an adjustment, because my role changed. I had to do more things at the line of scrimmage, instead of just getting ready to drop back and throw."

Elway earlier had volunteered that without a Super Bowl ring he would not merit being mentioned from prior football generations. He also seemed unbothered by the Broncos' chance to join the Minnesota Vikings as the only four-time Super Bowl losers. (They lost to the Dallas Cowboys in Super Bowl XII, when Elway was a sophomore in high school.)

"I'll risk the humiliation," he said, "for a chance at bat."



David J. Phillip/The Associated Press

offense: Air Elway or ground-to-air Elway, the quarterback dashing to buy time for a pass or whatever yardage his legs can manage.

"I never go into a game planning on scrambling," he said. "I kind of works out that way."

What Elway does like is the Broncos' beating the 49ers routinely during past regular seasons. Elway missed one of those games when he forgot to bring his knee brace.

Laughing, he said, "I've got four knee braces secretly hidden around the house."

Only the New York Jets, 21 Super Bowls ago against the Baltimore Colts, were significantly larger underdogs than the Broncos are to the 49ers. Into those 18-point odds, Joe Namath predicted victory — and pulled it off.

Anything similar from Elway? "If we get another half point," he said, "I might guarantee that we'll beat the spread." Las Vegas oddsmakers favor the 49ers by about 12 points.

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## For British, the Fun of Football Is the Punting

The Associated Press

LONDON — If Vance Johnson, the Denver Broncos' receiver, scores the first touchdown in Sunday's Super Bowl, some British fans of American football could win a pile of pounds.

The 10-to-1 odds on an opening TD by Johnson are among the "fun bets" being offered by British bookies looking for extra interest in a game in which the San Francisco 49ers are overwhelming favorites.

The defending-champion 49ers are listed by Ladbrokes, one of the biggest betting chains, as 1-to-5 favorites, meaning a £5 wager would collect a total of £26 if San Francisco beats Denver.

At current exchange rates, that's \$8.25 to collect \$9.90, but Ladbrokes expects most of the action on the 49ers to be much bigger.

"I would expect most of the big

players to come in late, and to have a big handle on the 49ers," Dale Lawrence, the company's spokesman, said Wednesday. "We will surely have people betting £5,000 to win 1,000."

The odds against the Broncos are 7-2, and Ladbrokes is offering a spread of 11½ points, about one point less than U.S. bookies.

"I think our spread is a fair reflection," Lawrence said. "And even though the odds favor the 49ers, punters [gamblers] are coming into our shops and saying, 'Hey, wait a minute: At 7-2, a bet on the Broncos might not be such a bad idea.'"

Betting shops are offering an exotic array of wagers. For example, the 49ers' quarterback, Joe Montana, is rated a 4-1 shot to throw four touchdown passes, while his counterpart for the Broncos, John Elway, is listed as 5-1 to throw for 350 yards or more.

Montana's favorite target, wide receiver Jerry Rice, is 8-1 to gain at least 150 yards on pass receptions, and the Broncos' "three amigos" — Johnson, Ricky Nattiel and Mark Jackson — are 3-1 to combine for 200 yards or more in catches.

"We also have Johnson at 10-1 to score first, and I think it's worth it," Lawrence said. "If the Broncos can take the early offensive and gain some yards, and Elway finds Johnson, at 10-to-1 I reckon it's a cracking price."

Ladbrokes calls these side bets "Super Bowl Specials." Lawrence said interest in the game itself was high but that the exotic wagers added some spice.

"With the 49ers such strong favorites at 1-to-5, American football fans are looking for value on other aspects of the game," he said. "That's why we have these fun bets."

British interest in American football, generally known here as gridiron, has grown steadily in recent years, and the Super Bowl will be shown live on Channel 4 P.M. Sunday.

The interest in the game has been accompanied by increased betting.

"Soccer is bigger, because it's played year-round and has been with us so much longer," Lawrence said. "But betting on American football is one of the fastest growing aspects of sports betting in the country."

British bettors have grown sophisticated enough to be able to spot remarks such as Elway's "guarantee" that the Broncos would cover a two-touchdown point spread, Lawrence added.

"We see this before the FA Cup final [in soccer], with players making boasts," he said. "It's all hype, isn't it?"

## SIDELINES

## Perles to Remain At Michigan State

EAST LANSING, Michigan (AP) — Michigan State University has offered its football coach, George Perles, the additional title of athletic director as Perles turned down as much as \$6 million to coach the New York Jets.

The Michigan State board of trustees voted, 5-3, on Tuesday to give Perles the dual role for a one-year trial period with no extra salary.

The board's decision came despite a protest by the school's president, John D'Elia. "I am disappointed that perceived pressures of the moment were elevated over long-term benefits," D'Elia said.

## Hearns, Foreman On Triple Card

LAS VEGAS (AP) — Thomas Hearns will defend his World Boxing Organization super middleweight title against Michael Spinks, and former heavyweight champion George Foreman will fight either Jose Ribalta or Trevor Berbick in a boxing tripleheader April 26 at Caesars Palace.

Doug DeWitt will also defend his WBO middleweight title against either Nigel Benn or former two-time champion Donald Curry.

## For the Record

Porsche, the West German sports car maker that left Formula One racing in 1987, is considering a return in 1991, the company's chairman, Heinz Ranzitzki, said Wednesday. (AP)

The 1991 Tour de France cycling race will start in Lyon, organizers announced Wednesday, breaking the recent practice of starting the Tour outside France on alternate years. (Reuters)

George Steinbrenner, the principal owner of the New York Yankees, who built World Series champions in the late 1970s by spending liberally on free agents, on current players' salaries. It's just getting started. Shocker? Yes. Certainly. How can you pay a ball player \$3 million dollars a year when the head of the [Joint] Chiefs of Staff is making just \$77,000 a year? Some way, somehow, someone has to say, 'Stop! Whoa!' (AP)

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## BOOKS

## KIFE: The Lives and Dreams of Soviet Youth

By Nancy Traver. 252 pages. \$19.95. St. Martin's Press Inc., 175 Fifth Avenue, New York, N.Y. 10010.

Reviewed by Cathy Young

It has become something of a tradition for reporters who have covered the Soviet Union — Hedrick Smith, David Shipler, Kevin Klose, Robert Kaiser — to write a book about the experience. Now, from Nancy Traver, Moscow correspondent for Time from 1983 to 1988, comes "Kife: The Lives and Dreams of Soviet Youth."

The topic, certainly, is one on which too little is known in the West. Traver conscientiously explores various aspects of the lives of Soviet teens and young adults: education and work, sex, marriage and child-rearing, military service, ethnic problems, religion, political activism, culture and entertainment.

"Kife" is a Russian slang word that Traver defines as meaning "having it all, grooviness, or catching a buzz." The title, though, is somewhat deceptive, since most of the book is not about life but about the Soviet Union. Soviet life as shown by Traver may not be solitary but it is quite nasty and brutish, and (given the decreasing life span and appalling child mortality rates) often short. Housing is a lifelong problem for most people, birth control consists primarily of abor-

tion (free but without anesthesia) and "finding edible food is a full-time job." While paying tribute to the high academic standards of Soviet education, Traver describes it as a system designed to produce obedient robots, a system that emphasizes collectivism and rote learning and stifles individuality and creativity. The picture is essentially true, but she may overstate at times the power of collectivist dogma.

In large part, "Kife" deals with issues of the Gorbachev era. There have been timid attempts to introduce more of a questioning spirit in schools; the history curriculum has been in a state of flux for the past two years. New television programs for the young, and movies such as "Little Vera," candidly tackle such problems as teenage alcoholism, drug abuse, promiscuity and alienation.

Traver records the widespread disgust with the official Soviet youth organization, the Komsomol, and the proliferation of unofficial — in Soviet parlance, "informal" — clubs and groups, some overtly political. In the past, she notes, young people who had no faith in the state ideology had two options: "lifelong cynicism or emigration. Few thought they could change the Soviet Union through social activism." Today, many "are very busy forming clubs, staging demonstrations, drafting petitions, and printing newspapers." Surely, this is a phenomenon of great significance; but Traver gives it cursory attention, offering in-depth interviews with just two activ-

ists from the democratic socialist group Obshchina (Community). The book is informative and peppered with fascinating tidbits (such as an account of a pirated Soviet videocassette of "Rambo" dubbed by a squeaky-voiced woman) but too much of it reads like a sociology text, not an intimate portrait of a generation.

The exception to this generally leaden and humorless writing are those pages where Traver lets young Soviets speak for themselves. The results can be vibrant, funny and poignant, such as the story of Masha, a spirited young woman unusually frank about her sexual experiences and her frustration with the insensitive ways of her lovers. Elsewhere, a drug-addicted, emotionally disturbed Afghanisthan war vet talks about the horrors he has survived, his inability to readjust to peaceful life at home, his loneliness: "No one can look into my eyes," he said, "especially women. They think I'm too evil or frightening. In fact, I don't have friends — I have no friends at all." Such segments are engrossing, but they are few and far between.

"Kife" could have filled a serious gap in American knowledge about the Soviet Union. Regrettably, it is too superficial and too lifeless to live up to the task.

Cathy Young, who emigrated from the Soviet Union in 1980, is the author of "Growing Up in Moscow." She wrote this for The Washington Post.

## BRIDGE

By Alan Truscott

A promising effort to teach bridge to the hearing impaired began last week at the New York League for the Handicapped in Manhattan. But the organizers ran into some problems because they had underestimated the difficulty of teaching the game to nine tables of players with widely varying skill levels and differing degrees of impairment. The chief New York organizers are Kathie Wei and Pat Cayne. The head of the American Contract Bridge League's Educational Foundation, which sponsors the project, is Tom Sanders, who sat South on the diagrammed deal recently, playing with Mrs. Wei. The Precision System was in use, forcing South to bid one diamond rather than one club. Three no trump was not difficult with the actual layout of the cards, but South had to play carefully to take advantage of all his chances. A spade was led, and South held up his ace until the third round. The club ace was driven out, and when the defense cashed a spade winner, South threw a diamond from both hands. East had held up the club ace for one round and now exited in that suit. South tried a heart finesse, and when the jack won, he needed to play carefully. He now needed an even heart split or a diamond finesse. He therefore cashed the heart king and led to the ace. If the hearts had divided evenly, he would not have needed the diamond finesse. As it was, he discovered the heart break and was in the correct hand to take the diamond finesse after cashing the last club and thus to make his game.

NORTH		EAST	
♠ 14	♠ 783	♠ 885	♠ 885
♥ 14	♥ 14	♥ 14	♥ 14
♦ 14	♦ 14	♦ 14	♦ 14
♣ 14	♣ 14	♣ 14	♣ 14
WEST		SOUTH (D)	
♠ 1072	♠ 1072	♠ 1072	♠ 1072
♥ 1072	♥ 1072	♥ 1072	♥ 1072
♦ 1072	♦ 1072	♦ 1072	♦ 1072
♣ 1072	♣ 1072	♣ 1072	♣ 1072

North and South were vulnerable.

West led the spade two.

West led the spade two.

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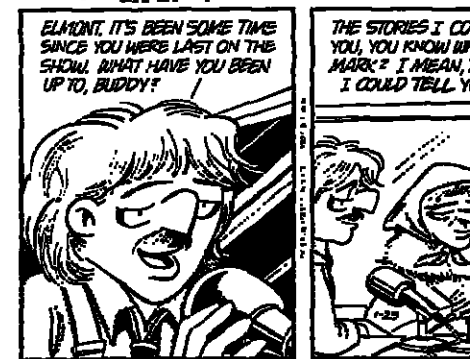
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West led the spade two.

West led the spade two.

## DOONESBURY



## JUMBLE

Unscramble these four jumbles. One letter to each square, to form four ordinary words.

Over up — there are a lot more fun in the bed.

THAT LETTER MADE IT ALL.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here:

(Answers tomorrow)

Yesterday's Jumble: ADAGE EMERY SLEEPY MUSTER

Answer: What that wild animal trainer at the circus does — "TAMERS" TO PLEASE

Answer: What that wild animal trainer at the circus does — "TAMERS" TO PLEASE

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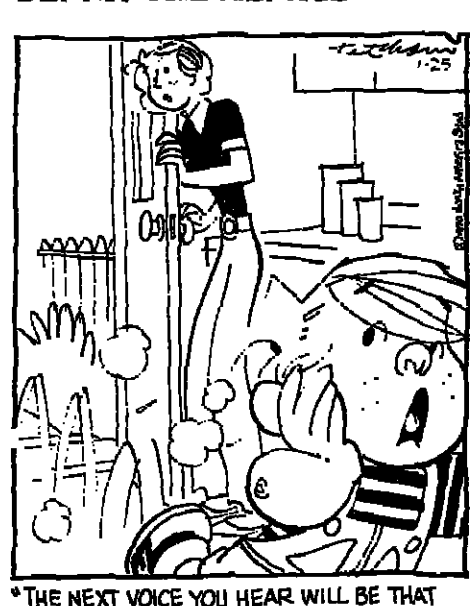
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## DENNIS THE MENACE



\*THE NEXT VOICE YOU HEAR WILL BE THAT OF MR. WILSON.

## BLONDIE

THE RADIO SAYS IT'S ABOVE ZERO

THANKS

ARE YOU TRYING TO FIGURE OUT WHAT TO WEAR?

NO

I'M TRYING TO DECIDE IF I SHOULD GET OUT OF BED

DOONESBURY 1-25

DOONESBURY 1-25

DOONESBURY 1-25

DOONESBURY 1-25



## SPORTS

## Revived Wilander Burns Becker in 3 Sets

## Facing Off in the Semifinals



Noah vs. Lendl

Wilander vs. Edberg

MELBOURNE — The Swedes showed how to stay cool in the scorching heat at Flinders Park on Wednesday, with Mats Wilander, in an incredible return to form, crushing Boris Becker in three sets to reach the semifinals of the Australian Open.

Wilander's victory guaranteed Sweden a place in the final; he now plays compatriot Stefan Edberg in the semifinals.

## AUSTRALIAN OPEN

The 12th-seeded Noah plays Lendl in Friday's semifinal match.

Wilander's 6-4, 6-4, 6-2 victory assured him the semifinals and was ample revenge for his defeat at Becker's hands in the Davis Cup final in December.

Wilander, seeded eighth, proved himself the more formidable player in a contest dominated by the searing heat of up to 50 degrees centigrade (122 degrees Fahrenheit) and whipping winds of up to 75 kilometers (50 miles) an hour on center court.

Wilander, struggling to find his touch and competitive spirit after a winless 1989 tour, donned a golf cap to ward off the sun and proceeded to trounce Becker, who preferred a baseball cap.

"Wonders still happen," said the 25-year-old Swede. "I was pretty sure it would be very difficult."

Becker was clearly off by the conditions. He double-faulted three times in the last game of the first set, jumped to a 4-2 lead in the second but let Wilander rip off 11 points in a row to go 2-0 up in sets.

Wilander, passing the disgruntled Becker at will from both sides, then broke him in the sixth and eighth games of the third set, powering home a forehand winner to clinch the match after two and a quarter hours.

Wilander acknowledged that Becker "looked a little sad," adding, "He missed a lot of easy volleys that he doesn't usually miss."

Becker, 22, blamed the heat and fatigue.

"It's not easy for a guy of my size to move in the heat," he said.

Wilander said his performance was similar to the form he showed two years ago when he won all the Grand Slam events except Wimbledon.

But he warned against assuming too much from one match. "I still need to come back and play more matches and play steadily," he said.

The two Swedes who face each other in the semifinals dominated the tournament from 1983 to 1988. Wilander winning three times and Edberg twice.

Edberg looked in control until the middle of the second set when he lost five games in a row and had to beat back two set points before the tiebreaker.

But Edberg lifted his game and broke Wheaton in the first and seventh games of the fourth set to move up to the semifinals.

Lendl was ruthless against Cherkasov. He banded down nine aces and broke his 19-year-old opponent's serve six times. Cherkasov, ranked 89th, broke Lendl in the seventh game of the third set but Lendl broke back.

For Noah, the day provided his best Grand Slam performance outside of winning the French Open in 1983. He was devastating against Panfili, serving and volleying brilliantly.

"I attacked all his serves and darted for the net with all my first balls," Noah said. "This tactic worked. You must never let Panfili find his timing on the base line."

## Bad Fit for Bill Shoemaker

## Jockey's Final Tour Contradicts Dignity of His Career

By Steven Crist  
New York Times Service

ALLANDALE, Florida — Bill Shoemaker stepped up to a microphone in the dining room of the Gulfstream Park race track last week and looked at a small framed plaque and scrolls signed by Florida politicians, proclaiming him the world's greatest jockey.

"Doing what I'm going to do with all this stuff," Shoemaker asked Doug Dunn, the track's president, "You're going to cost me \$80,000 to put a new room on the house."

There is no need to pass the hat. Shoemaker's contract with Gulfstream prohibits anyone's re-

His achievements are extraordinary and beyond tarnishing, chief among them his longevity. Shoemaker has not, however, led the nation's jockeys in victories since 1959 or in earnings since 1964.

His knees can no longer straddle more than three or four mounts a day. Last week in a farewell appearance at Bay Meadows in San Mateo, California, he begged off the last of three mounts and limped back to the jockeys' room.

Is this the way he wants to be remembered? In his prime, say those who watched him, Shoemaker was as good as anyone and better than most. Now, though, he is being promoted as something no jockey can ever be.

"Shoemaker rode eight Horse of the Year winners," blares a daily commercial at Gulfstream. "Most experts felt he was as responsible for those awards as any of the thoroughbreds were."

This is utter sill, as Shoemaker would be the first to agree. Any of the nation's very best jockeys could have ridden Swaps, Round Table, Damascus, Ack Ack, Forego, Spectacular Bid, John Henry or Ferdinand without costing them their titles.

Jockeys are spectacular athletes and compete bravely under the perpetual threat of dreadful injury. Very good or very bad jockeys occasionally make a difference in a race, but horses win or lose them.

The conditions of Shoemaker's final scheduled ride raise serious questions of integrity. Does anyone really believe that the other jockeys in "The Legend's Last Ride," the official name of the Feb. 3 race at Santa Anita, will fulfill their legal requirement to put forth their best effort to win?

Owners who enter horses in this race must sign a waiver allowing track management to put Shoemaker on any horse. He will undoubtedly be assigned to the favorite, but favorites lose two-thirds of the time.

It will be depressing programming for ABC-TV, which is broadcasting the event, and a sad farewell for Shoemaker, if he is allowed to lose. If he wins, the public may come away with the suspicion that the outcome of any race can be prearranged, hardly an encouraging advertisement for a sport struggling for customers.

At the very least, Santa Anita should make this a nonbetting race. But that would have meant no \$100,000 rights fee, no live network broadcast and no huge Saturday attendance and betting handle for Santa Anita.

"I've enjoyed this tour," Shoemaker said, "but I'll be glad when it's all over."

So will his fans and admirers.

## VANTAGE POINT/Ira Berkow

## McEnroe Needed a Gun to His Head Years Ago

New York Times Service

NEW YORK — John McEnroe says that if he had known the rules, he would have controlled his temper, not have thrown his racket, not have tried to intimidate a lines official, not have screamed at the chair umpire, not have issued a string of vile language at the head supervisor (the supervisor's quote), not have thrown his opponent off his game with his abusive deportment and nearly drilled him in the back with an angry whack of a ball, and not have shouted to a mother in the stands to feed her squalling infant.

And he surely would not have made a substantial portion of the fans, out for an afternoon of tennis entertainment, sick to their stomachs.

But he didn't know the rules, or he forgot them, he says, and thus was defaulted from his match to Mikael Pernfors on Sunday in the Australian Open.

McEnroe said he was going by the conventional four-step procedure, which is warning,

point, game, default. There had been a change in the system, and it went from warning to point to default.

In other words, he is not and has not been some wild creature out of control, as he has seemed for some 10 years now. With a gun to his head, then, Mighty Mac would have been able to play tennis with the gentility reserved for the likes of the Marquis of Queensberry.

Whether he would have been the same Mac who won all those championships, we'll never know. But it seems he would have. After all, he once said that he had never lost his temper when playing Bjorn Borg because he had needed to conserve every ounce of energy he could muster.

It may also be true, as some say, that he had a huge respect for Borg, who was at the top when McEnroe was winding his way up there. Conversely, at a French Open a few years ago, McEnroe, ahead two sets to none to Ivan Lendl, erupted in emotional outbursts and lost, later citing his depletion of energy as a possible reason.

In McEnroe's defense, it must be said that he has been ranked the best tennis player in the world because he has given everything within his ability in the actual physicality of the game.

But it is also obvious that he was allowed to get away with his punkish behavior because tournament directors and perhaps television executives believed they needed his artistry and volatility to sell tickets.

Fact is, they do just fine without him, or with a simply fiercely competitive McEnroe, and not necessarily a nauseating one. It was the same kind of thinking that George Steinbrenner, principal owner of the New York Yankees baseball team, exercised when he reasoned that a manager like the combustible Billy Martin put "fannies in the seats."

It turns out, winning teams put fans and their fannies in the seats, and not an argumentative, pouty and puerile operator.

McEnroe, 30, was finally ejected for unseemly manners. Some bartenders wouldn't have given him a two-step system before throwing him out on his ear.

## SCOREBOARD

## BASKETBALL

## NBA Standings

EASTERN CONFERENCE			
Team	W	L	Pct.
New York	26	14	.650
Boston	23	15	.605
Philadelphia	22	16	.577
Washington	14	22	.389
New Jersey	12	22	.353
Miami	9	23	.281

WESTERN CONFERENCE			
Team	W	L	Pct.
Los Angeles	26	14	.650
Portland	23	15	.605
San Antonio	22	16	.577
Utah	14	22	.389
Dallas	12	22	.353
Phoenix	9	23	.281

TUESDAY'S RESULTS			
Team	W	L	Pct.
Los Angeles	26	14	.650
Portland	23	15	.605
San Antonio	22	16	.577
Utah	14	22	.389
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## TENNIS

## Australian Open

MEN'S SINGLES			
Player	W	L	Pct.
Ivan Lendl (1)	26	14	.650
Andre Cherkasov (1)	23	15	.605
Stefan Edberg (1)	22	16	.577
Mats Wilander (1)	14	22	.389
Boris Becker (1)	12	22	.353
Yannick Noah (1)	9	23	.281

MEN'S DOUBLES			
Player	W	L	Pct.
Neil Broad and Gary Muller (1)	26	14	.650
Mark Kratzmann and Darren Cahill (1)	23	15	.605
Andre Panfili and Stefan Edberg (1)	22	16	.577
Stefan Edberg and Mats Wilander (1)	14	22	.389
Boris Becker and Yannick Noah (1)	12	22	.353
Yannick Noah and Stefan Edberg (1)	9	23	.281

WOMEN'S DOUBLES			
Player	W	L	Pct.
Patty Fendick and Mary Jo Fernandez (1)	26	14	.650
U.S. (1)	23	15	.605
Andre Panfili and Stefan Edberg (1)	22	16	.577
Stefan Edberg and Mats Wilander (1)	14	22	.389
Boris Becker and Yannick Noah (1)	12	22	.353
Yannick Noah and Stefan Edberg (1)	9	23	.281

MIXED DOUBLES			
Player	W	L	Pct.
Neil Broad and Gary Muller (1)	26	14	.650
Mark Kratzmann and Darren Cahill (1)	23	15	.605
Andre Panfili and Stefan Edberg (1)	22	16	.577
Stefan Edberg and Mats Wilander (1)	14	22	.389
Boris Becker and Yannick Noah (1)	12	22	.353
Yannick Noah and Stefan Edberg (1)	9	23	.281

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149 263	412 11.8				
130 282	412 11.4				
162 238	400 11.1				
91 312	403 10.9				
<b>WALES CONFERENCE</b>					
<b>Patrick Division</b>					
			<b>W</b>	<b>L</b>	<b>T Pts GF</b>
<b>PTS</b>					
G	Sts.	Avg.	New Jersey	28	21 4 50 191
35	480	13.7	NY Islanders	23	22 4 50 177
37	429	11.6	NY Rangers	19	21 9 47 156
			Philadelphia	17	20 5 41 120



